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SPECIAL INSTRUCTIONS

Bid Bond

An irrevocable bid security payable to the State of Arizona in the amount of ** ** of the total bid price is required. This security shall be in the form of a bid bond, certified check or cashier's check and must be in the possession of the state by the due time and date cited for this solicitation.

The state will hold all bid security during the evaluation process. As soon as is practicable after the completion of the evaluation, the state will:

1. Issue an award notice for those offers accepted by the state;
2. Return all bond securities to those who have not been issued an award notice.

All bid security from contractors who have been issued an award notice shall be held until the successful execution of all required contractual documents and bonds (performance bond, insurance, etc.). If the contractor fails to execute the required contractual documents and bonds within the time specified, or ten (10) days after notice of award if no period is specified, the contractor may be found to be in default and the contract terminated by the state. In case of default, the state reserves all rights inclusive of, but not limited to, the right to purchase material and/or complete the work as required, in accordance with the Arizona Procurement Code and to recover any actual excess costs from the contractor. Collection against the bid security shall be one of the measures available toward the recovery of any excess costs.

All bid bonds must be executed on forms substantially equivalent to State Procurement Office.

Brand Name

Any manufacturer's names, trade names, brand names or catalog numbers used in the specifications are for the purpose of describing and/or establishing the quality, design and performance required. Any such reference is not intended to limit or restrict an offer by any supplier but is only enumerated in order to advise potential offerors of the requirements of the state. Any offer which proposes like quality, design or performance will be considered.

Brand Name Only

Any manufacturer's names, trade names, brand names or catalog numbers used in the specifications are for the purpose of describing and/or establishing the quality, design and performance required. Any such reference is not intended to limit or restrict an offer by any supplier but is only enumerated in order to advise potential bidders of the requirements of the state. Any offer which proposes like quality, design or performance will be considered.

Capacity of Offeror

Offerors shall provide an electronic document or file entitled 'AD040518 - [Offeror Name], Capacity of Offeror.' Multiple documents may be provided in a single file so long as this file is named in accordance with the aforementioned format and each of the included documents are similarly labeled - differing only to indicate their respective contents. Offerors shall include in this document evidence of their ability to provide all services and/or supplies sought under this solicitation. In this section, the Special Instructions to Offerors, the solicitation provides instructions for the types of information the State seeks in determining offerors capacity to perform. Offerors shall include in this section their responses to each of the following items.

IDENTITY AND ORGANIZATION

Offerors shall describe their total organization, including any parent companies, subsidiaries, affiliates, and other related entities. Offerors shall describe the ownership structure including any significant or controlling equity holders. Offerors shall provide an organizational chart for their

overall organization showing each entity within the organization. Offerors comprised of multiple organizations or alliances shall identify all entities to be providing supplies and/or services to the State - see also the State's prohibition on offshore work performance cited hereunder. Offerors shall clarify the respective duties and roles of all associated organizations that would support the State, with percentages and areas of responsibilities allocated across all such organizations. Offerors composed of multiple organizations shall identify a single or lead organization, including a contact person therein, who will be responsible for all communications with the State throughout the solicitation process.

EXPERIENCE

Offerors shall describe their experience including the number of years of experience acting as a prime contractor providing telecommunications management services similar to the services described in their proposal. Offerors shall describe the scope of telecommunications management services they have been responsible for during this period. Offerors shall provide the names and contact information of all previous customers over the last three (3) years for whom telecommunication management services were provided but were discontinued for whatever reason. The State shall have the option to contact these customers at its discretion. Offerors shall fully disclose their involvement in any legal proceedings, lawsuits or governmental regulatory actions, taken or pending, and any contractual demands for assurance regarding their provision of similar services.

FINANCIAL STABILITY

Offeror shall demonstrate their financial stability. Offerors shall at a minimum include a copy of their independently audited financial statements from the last three (3) years. Offerors may be requested to provide additional information pertaining to their financial stability as deemed necessary by the State. Offerors proposals which do not include or do not include sufficient information regarding their financial stability may be negatively impacted.

REFERENCES

Offerors shall provide at a minimum five (5) customer references, at least two (2) of which should be for government clients. Reference information should include the following data: 1) client name, 2) contract title or contract reference number, 3) primary contact, title and telephone number, 4) contract dates, 5) contract amount, 6) type of contract - public or private sector, 7) length of relationship with Client, and 8) description of innovative solutions implemented to meet customer needs.

KEY PERSONNEL

Offerors shall provide the names of all key personnel, including any contract officers and/or account representatives, program and project managers, and relevant staff that would be providing services to the State under any resulting contract. Information provided on such individuals shall include: 1) name, 2) proposed responsibilities, 3) telephone number, 4) e-mail Address, 5) qualifications, 6) experience, and an organizational chart detailing where all such individuals relate to one-another organizationally and to the State with regard to the services proposed. Offeror shall cite their percent of turnover for the last three (3) years of those positions listed as key personnel and all other relevant staff that would be responsible for performing services to the State under any resulting contract. Offerors shall describe their customary selection and replacement procedures for all key personnel and relevant staff. Offerors shall clarify their intent to maintain the quantities and quality of all such key personnel and relevant staff positions throughout the term of any resulting contract.

SUBCONTRACTORS

A single offeror shall manage the submission of materials composing their respective proposal. A single contractor shall manage all services provided under any resulting contract. Offerors may anticipate the use of subcontractors in their proposal but shall not relegate to anticipated subcontractors any responsibility or authority with regard to their proposal as described herein. Offerors shall include information on all anticipated subcontractors that would provide a significant portion (20% or greater) of service to the State under any resulting contract.

Catalog Pricing

Prices calculated by the offeror shall be entered on the price sheets (SPO form 206) provided. Prices entered shall be computed using the same discount referenced by the offeror on the attachment provided. Failure to compute prices in this manner shall result in the offer being deemed non-responsive. In the event of contract award, the contractor shall furnish all items in the manufacturer's catalog, at the discount offered, using the referenced price list.

Catalog/Price List Discounts

The offeror is to provide prices based on a percent of discount off of a referenced manufacturer's price list. A copy of the referenced price list and the applicable catalog(s) shall be enclosed with the offer. Failure to include either the manufacturer's price list or the applicable catalog(s) shall be grounds for determining the proposal as non-responsive

Catalog/Price List Electronic Version, Submit with Bid

1. The resultant contract(s) shall be based on individual tire manufacturer's catalog/price lists. For the purpose of this solicitation, an established catalog price means the price included in a catalog, price list, schedule or other form that: Is regularly maintained by a manufacturer, distributor or contractor. Is either published or otherwise available for inspection by customers. States prices at which sales are currently or were last made to a significant number of any category of buyers or buyers constituting the general buying public for the materials or services involved.

2. Offeror(s) are to submit with the bid, electronic versions of the catalog/price lists being offered in either of the following formats (see special terms and conditions section for additional electronic catalog/price list requirements).

2.1. Internet versions available through a Universal Resource Locator (URL) link, or;

2.2. As a Portable Document Format (pdf) file.

3. Such catalog/price lists shall:

3.1. Contain a comprehensive selection of products from an individual manufacturer within an established solicitation group.

3.2. Be those that contain prices that are the basis for those discount (percents %) from list price (DLP) offered by the bidder(s) and accepted by the state (see catalog/price list discount section).

3.2.1. Although not required with the bid, hard copy catalog/price lists shall be made available upon request.

4. Failure to submit electronic copies of catalog/price lists being offered with the bid may result in the bid being deemed non-responsive.

5. Upon award of a contract(s), the State Procurement Office, at its sole discretion, may maintain the contractor's electronic catalog/price list data or provide electronic links to it through our SPIRIT web-site. Regardless of the number and types of links to the contractor's electronic catalog/price list, the contractor shall ensure that all eligible agencies are able to access one, and only one, version of contracted catalog/price list. Upon award and during the term of the contract

the contractor shall not alter, modify or update either the electronic or hard copy versions of the catalog/price list without prior approval by the state.

Catalog/Price List Electronic Version, Submit with Proposal

1. For the purpose of this solicitation, an established catalog price means the price included in a catalog, price list, schedule or other form that: Is regularly maintained by a manufacturer, distributor or contractor. Is either published or otherwise available for inspection by customers. Is one that states prices at which sales are currently or were last made to a significant number of any category of buyers or buyers constituting the general buying public for the materials or services involved.

2. Offeror(s) are to submit with their proposal, electronic versions of the catalog/price lists being offered in either of the following formats (see special terms and conditions section for additional electronic catalog/price list requirements).

2.1. Internet versions available through a Universal Resource Locator (URL) link, or;

2.2. As a Portable Document Format (pdf) file.

3. Such catalog/price lists shall:

3.1. Contain a comprehensive selection of products from individual manufacturers within an established solicitation group.

3.2. Be those that contain prices that are the basis for those discount (percents %) from list price (DLP) offered and accepted by the State (see catalog/price list discount section).

3.2.1. Although not required to be submitted with the offer, hard copy catalog/price lists copy catalogs shall be made available upon request.

4. Failure to submit electronic copies of catalog/price lists being offered with the proposal may result in the proposal being not susceptible for award.

5. Upon award of a contract(s), the State Procurement Office, at its sole discretion, may maintain the contractor's electronic catalog/price list data or provide electronic links to it through our SPIRIT web-site. Regardless of the number and types of links to the contractor's electronic catalog/price list, the contractor shall ensure that customers are able to access one, and only one, version of contracted catalog/price list. Upon award and during the term of the contract the contractor shall not alter, modify or update either the electronic or hard copy versions of the catalog/price list without prior approval by the State.

Catalog/Price List, Multiple or Alternate Submissions by a single Offeror

1. OFFERORS ARE ENCOURAGED TO OFFER MULTIPLE PRODUCT LINES.

1.1. Offeror(s) electing this option should;

1.1.1. Complete the all appropriate fields contained in the solicitation price sheet areas for products being offered as primary, then;

1.1.2. Click on the create alternate button as this will create alternate line items for the offeror to complete for additional or alternate product offerings.

Clarifications

Upon receipt and opening of proposals submitted in response to this solicitation, the State may request oral or written clarifications, including demonstrations or questions and answers, for the

sole purpose of information gathering or of eliminating minor informalities or correcting nonjudgmental mistakes in proposals. Clarifications shall not otherwise afford the offerors the opportunity to alter or change its proposal.

Conformance with Terms and Conditions

Offerors shall provide an electronic document or file entitled 'AD040511' [Offeror Name], Conformance with Terms and Conditions. Multiple documents may be provided in a single file so long as this file is named in accordance with the aforementioned format and each of the included documents are similarly labeled differing only to indicate their respective contents. Offerors shall include in this document their response to all portions of the solicitation's Uniform Terms and Conditions and Special Terms and Conditions. Offerors shall clearly state their understanding and acceptance of all Uniform and Special Terms and Conditions, noting any exceptions they take, either within the text of the Uniform and Special Terms and Conditions or in a sub-section of such exceptions. Offerors taking exceptions may propose alternate language for the State's consideration. Exceptions taken to the Uniform and Special Terms and Conditions may negatively effect the State's evaluation of the offerors proposals.

Core Item Pricing & Catalog/Price List Discounts

1. Offeror(s) are to provide prices based on a firm fixed pricing schedule for core item list products. Offerors are to provide a single discount (percent %) from list price (DLP) for all items within an established group (grp) for all remaining non-core products. Established groups are defined in the price sheet areas of the solicitation.

2. Established groups contained in this solicitation are:

2.1. Group A Commodity code number and title

2.2. Group B Commodity code number and title

2.3. Group C Commodity code number and title

2.4. Group D Commodity code number and title

2.5. Group E Commodity code number and title

3. Prices entered on the core item price list shall be Lowest Net Price. Pricing may be lower than the discount (percent %) from list as specified under paragraph 4.

4. Prices entered in the price sheet areas identified as non core items, for a respective group shall be computed using the single discount (percent %) from list price offered for that group or net price. Failure to compute and enter pricing in this manner may result in the proposal being considered not susceptible for award.

5. All core item pricing shall be published for eligible agency use. All non-core line items contained in the price sheet areas for a respective group will be used for evaluation purposes only.

6. Upon award the selected contractor(s) shall sell all core items at the prices offered and all non-core items at the discount (percents %) from list price as awarded.

Current Product (Software)

All software offered in this solicitation shall be in current and ongoing production, shall have been formally announced for general marketing purposes; shall be a version currently functioning in a user (pay customer) environment and capable of meeting or exceeding all specifications and requirements set forth in this solicitation at the time of offer submission.

Current Products

All products offered in response to this solicitation shall be in current and ongoing production; shall have been formally announced for general marketing purposes; shall be a model or type currently functioning in a user (paying customer) environment and capable of meeting or exceeding all specifications and requirements set forth in this solicitation.

Dealer Network Qualifications

Any offer submitted, whether by manufacturer or dealer, should be accompanied by a letter from the manufacturer covering in detail the requirements that a dealer must meet to be classified as an authorized dealer by the manufacturer. Also, subject letter should include minimum requirements such as factory training, spare parts inventory, etc., that a dealer must meet to sell individual products in the product line of the manufacturer. Offeror shall list all network members on the attachment following the price sheets. Every dealer noted in the list of networks submitted in response to this solicitation shall meet all the minimum criteria established by the manufacturer for classification as an authorized dealer and for being factory authorized to service and sell given products within a product line. If any offeror submits a list of dealers that includes any dealer not meeting the minimum criteria noted by the manufacturer, subject bid may be immediately disqualified from award consideration. Maintenance facilities are required in the metropolitan areas (30 mile radius) of Phoenix and Tucson. The State Procurement Office may inspect facilities to determine adequacy.

Dealer Network/Maintenance Facility Coverage

Offerors shall provide service for all counties in the State. Offerors are not required to provide a dealer/facility located in each county; as a minimum, a dealer/maintenance facility shall be located in the metropolitan areas (30 mile radius) of Phoenix and Tucson. All dealer/maintenance facilities shall be submitted with the offer.

Dealer Participation Letters

Any Offeror that submits a list of dealers that will participate in any manner (sales, maintenance, supplies, etc.) in any contract award made as a result of this solicitations should supplement their offer with a letter from each listed dealer indicating that the dealer fully understands the solicitation requirements, applicable terms and conditions, their total obligations as a noted dealer and that authorizes the offeror to obligate them for participation in any resulting contract. The letter should also include a list of the counties that the dealer can service in accordance with maintenance requirements noted in the solicitation and the number and names of technicians currently employed by the dealer. All counties in the State shall be covered by this listing. However, dealers are not required to be located in each county listed.

Dealership, Participating Service and Delivery Locations

1. Offeror(s) are to submit with their bid, an electronic attachment listing all participating dealerships located throughout Arizona who will be used as subcontractors for both product deliveries and drive in service centers under the resultant contract. This list shall contain:

1.1. Dealer or outlet name.

1.2. Location (physical address).

1.3. Telephone/fax numbers and e-mail information.

1.4. Key personnel at that location.

2. In the event that this information is not submitted with the bid, the state reserves the right, at its sole option, to request it during the bid evaluation process.

2.1. Upon request, the bidder(s) shall have 5 days, from the date of notice, to respond to the state's requests.

3. Failure to submit this information with the bid or failure to provide it upon request within the stated timeframe may result in the bid being deemed non-responsive.

Definition

'May' denotes the permissive

'Shall' denotes the imperative

'Must' denotes the imperative

Definition of Unit Measure

For the purpose of definition and clarification for this contract, the following codes have been established to abbreviate standard units of measure of line items contained herein:

CODES U/M DEFINITION

Delivery and Payment Discounts

Supplier must indicate promised delivery schedule, prompt payment terms and applicable local sales tax percentage in the areas provided on the price page.

Delivery (Offeror Response)

Delivery is an important consideration and will be a factor in the determination of an award.

Therefore, delivery time after receipt of an order must be stated in definite terms. Should there be any variations in delivery time by item, offers must be clear in regard to those variations.

Demonstration Models

All suppliers are hereby notified that demonstrations of the services proposed shall be available in Phoenix. The State Procurement Office may arrange a time and place for demonstrations, for the purpose of evaluation. Demonstrations shall be performed at no expense to the state.

Descriptive Literature 01

All offers must include complete manufacturer's descriptive literature regarding the equipment they propose to furnish.

Descriptive Literature 02

All offers must include complete manufacturer's descriptive literature.

Descriptive Literature 03

Offeror(s) should submit with their offer descriptive literature regarding the equipment they are proposing under this solicitation.

For purposes of this solicitation, Descriptive Literature shall be manufacturer's specification sheets, technical publications, printed product literature, engineering drawings, instruction or maintenance manuals or other published manufacturer's literature, and all certifications that are sufficient in detail as to affirm product compliance.

Descriptive literature shall be submitted as an electronic attachment to the offer.

In the event that this information is not submitted with the offer, the state reserves the right, at its sole option, to request it during the bid evaluation process.

Upon request by the state, the offeror(s) shall have 10 days from the date of notice to submit this information.

Failure to submit this information with the offer or failure to provide it upon request within the stated time frame may result in the offer being deemed non-responsive.

Discounts

A primary objective of this solicitation is to aggregate the leveraged buying power of the state with local governments and others authorized by law to use state contracts. Offerors shall consider this objective in the development of pricing offered.

Offerors shall offer volume discounts. Volume discounts may be applied per purchase order, cumulatively per customer agency, and cumulatively statewide. The offeror shall indicate the basis for applying the volume discount (s) on the bid document form. Volume discounts shall be defined and applied as follows: Purchase order volume discounts shall be an additional discount applied to an individual purchase order over a dollar amount determined by the bidder.

Cumulative agency volume discounts shall be additional discounts applied to all future orders made by an individual agency once an established volume has been met by that agency.

Cumulative statewide volume discounts shall be additional discounts applied to all future orders once an established volume has been met under this contract for all state and non-state orders.

Offerors are encouraged to offer any and all types of discounts, rebates, special pricing, etc., that will result in reduced pricing to contract users. Additional discounts are encouraged and offered discounts may be considered in determining award.

Offerors shall offer discounts based on the multiple order of a single title or mixed title books to one location. Bidder shall determine volume price breaks.

Offerors may also offer discounts for electronic access ordering, for prepayment plans, deposit accounts, and approval plans for agencies legally empowered to use them.

Discounts (Aggregate)

Offerors shall set forth a specific percentage for volume breaks as described in 'Discount' clause. These additional discounts shall be based on the total annual cumulative statewide sales under this contract. Additional discount(s) shall be applied to all contract orders placed in the second year. The effective day shall be no later than 90 days after the end of the first year contract begin date and each additional year thereafter. The first year, discounts shall be offered based upon past history and data (if available). At the end of the first contract year and following thereafter, the applicable aggregate volume discount to be applied during subsequent years shall be calculated based upon the total annual aggregated dollar value of business placed with contractor in the prior contract year. Contract sales shall be tracked by supplier reports, electronic data, and other contract expenditure reports that are available to the State of Arizona Procurement Office.

All prices and notations shall be written in ink or typed. Changes or corrections made on this proposal form must be initialed in ink by the individual signing the proposal. No corrections will be permitted after the proposals have been received.

Discussions

In accordance with A.R.S. 41-2534, after the initial receipt of proposals, the State may conduct discussions with those offerors who submit proposals determined by the State to be reasonably susceptible of being selected for award.

Dock Pick-Up

Offerors shall insert dock pick-up locations and per case discount, if any, for dock pick-up on attachment on ***. No minimum for dock pick-up.

Documentation

Offeror shall submit Master License Agreement with their offer.

Electronic Documents

This solicitation document is provided in an electronic format. Any unidentified alteration or modification to any solicitation documents, to any attachments, exhibits, forms, charts or

illustrations contained herein shall be null and void. In those instances where modifications are identified, the original document published by the State shall take precedence. As provided in the Uniform Instructions to Offerors, offerors are responsible for clearly identifying any and all changes or modifications to any solicitations document upon submission to the State.

Electronic Ordering Systems Option

Offeror(s) are encouraged to offer electronic ordering systems to all eligible agencies. These are systems that provide electronic commerce assistance for the electronic submission of purchase orders, purchase order tracking and reporting available through a contractor's Electronic Data Interchange (EDI) system or secured internet/web portal. Such systems shall not allow for purchase orders to be placed for non-contract or excluded items. Use of such systems shall be at the sole discretion of the eligible agency and all cost associated with set-up, maintenance and support shall be borne by the contractor.

Those electing to offer an electronic ordering system to the State shall affirm by entering Yes in the appropriate solicitation questionnaire section entitled Electronic Ordering Systems Option.

Additionally, knowing that the implementation and management of electronic ordering systems result in lower administrative costs for both the supplier as well as the state we also request that the bidder(s) offer any additional discount (percent %) from list price for those eligible agencies who may implement this option. Those offering the additional discount (percent %) from list price shall do so by completing the solicitation questionnaire section entitled Electronic Ordering Systems Option. Participation is optional, therefore will not be used in the State's bid evaluation process.

Eligible Agencies (Identified)

Any contract resulting from this solicitation shall be for the exclusive use of those State of Arizona departments, agencies, commissions, boards, eligible universities, political subdivisions and nonprofit educational or public health institutions identified in the price sheet section of this solicitation.

Eligible Agencies (Statewide)

Any contract resulting from this solicitation shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible universities, political subdivisions and nonprofit educational or public health institutions may participate at their discretion. In order to participate in any resultant contract, a university, political subdivision, or nonprofit educational or public health institution must have entered into a cooperative purchasing agreement with the State Procurement Office as required by Arizona Revised Statutes 41-2632.

EPA Number

All offers must include the EPA Number for each item offeror.

Equipment Suitability

In order for the State to procure the most suitable equipment for each level offer, suppliers are instructed to limit their responses to a maximum of one (1) model per manufacturer.

Estimated Quantities (Considerable)

The state anticipates considerable activity under contract(s) awarded as a result of this solicitation, however, no commitment of any kind is made concerning quantities actually acquired and that fact should be taken into consideration by the contractor. The quantities reflected on the solicitation price sheet areas are annual estimates only.

Evaluation (RFP, RFQ)

In accordance with the Arizona Procurement Code 41-2534, Competitive Sealed Proposals, awards shall be made to the responsible offeror whose proposal is determined in writing to be the

most advantageous to the State based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.

Evaluation (IFB, RFQ-C)

In accordance with the Arizona Procurement Code 41-2533, competitive sealed bidding, awards shall be made to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set forth in the solicitation.

Exceptions

Offerors shall indicate any exceptions they have taken to the instructions, terms, conditions or other requirements of the solicitation.

Excess Spent Tire Removal Service Program Option

Offeror(s) having programs for excess spent tire removal services, those not covered in specification section 3.1.3 and 3.1.3.1, through their local dealership/subcontractors shall affirm so by entering Yes in the appropriate solicitation questionnaire section entitled Excess Spent Tire Removal Service Option. Removal and disposal services shall be performed in accordance with the terms and conditions and specifications contained herein. Program use shall be at the sole discretion of the eligible agency (non mandatory).

Additionally knowing that there is a cost associated with this type of service we also request that the bidder(s) list the unit price, per tire, for those eligible agencies electing to use this service. This shall be done by completing the solicitation questionnaire section entitled Excess Spent Tire Removal Service Option. Participation is optional, therefore will not be used in the State's bid evaluation process.

Financial Stability

The Offeror must be financially stable and able to substantiate the financial stability of its company. If requested, current financial statements or other financial information deemed appropriate documenting past sales history must be provided within five (5) business days or request. The State reserves the right to request additional documentation from the Offeror and to request reports on financial stability from independent financial rating services. The State reserves the right to reject any offeror who does not demonstrate financial stability sufficient for the scope of this contract award.

Inclusive Offeror(s)

Offeror(s) are encouraged to make every effort to utilize subcontractors that are small, women-owned and/or minority owned business enterprises. This could include subcontracts for a percentage of deliveries made under any subsequent contract. Offerors who are committing a portion of their work to such subcontractors shall do so by identifying the type of service and work to be performed by providing detail concerning your organization's utilization of small, women-owned and/or minority business enterprises. Emphasis should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort will be administered and managed, including reporting requirements.

Information to be Furnished with Offer

The offeror must submit detailed specifications, circulars and all necessary data on the commodity or service(s) to be furnished. If the commodity offered differs from the provisions listed, such differences must be explained in detail.

Offeror must provide a sample invoice for a book order with processing included, as part of the supplier's offer.

Offerors shall enclose a sample credit memo.

Offerors must provide the State of Arizona with a copy of supplier's return policy and credit memo procedures in addition to samples of credit memo forms or other relevant documentation.

Offerors shall provide the State of Arizona with Year 2000 certification documentation with their response.

Two sets of producer/publisher/supplier catalogs for pricing schedules together with an explanation of the pricing structure available to libraries is required with the offer.

Approval Plan information to be included in the offer:

- Description of the profiling process
- Copy of bidder's recent cost and coverage report
- Description of payment options
- Description of shipping options
- Hardbound/Paperbound options
- Automation/local library system support (can the supplier provide electronic records and invoices; can they accept electronic records; can they provide online information concerning approval services).
- Other technical services such as physical processing or availability of cataloging records
- Select list of current customers

Samples of software and training guide/manuals (instruction sheets) may be required. If requested, offeror must demonstrate its system at a location designated by the state.

Failure to submit any of the above data may result in the rejection. The State, however, reserves the right to request any additional information deemed necessary for the proper evaluation.

Introduction

Offerors shall provide an electronic document entitled AD040511 [Offeror Name], Introduction. In this document, offerors shall include a Cover Letter introducing their proposal and reiterating their intent to be bound by their offer for the required period. The letter should be signed by an officer of the offeror's firm who possesses expressed authority to bind the offeror. Electronic signatures are acceptable. The State may request proof of the officer's expressed authority. Offerors shall also include a brief Executive Summary, not to exceed five (5) pages in length. For individual, stylistic variations and organizational purposes, offerors may have additional items in this section, so long as these minimum items are included.

Maintenance (Required Locations)

The equipment specified in this solicitation is dependent upon the availability of prompt professional service. In order to be considered for award, each potential contractor is required to have existing maintenance facilities with sufficient parts inventory and trained technicians experienced in providing quality service on the equipment specified. Maintenance facilities are subject to inspection by the state to determine adequacy.

Manufacturer's Representative 01

Dealers who submit an offer as a manufacturer's representative must supplement the offer with a letter from each manufacturer involved certifying that; 1) the supplier is a bona fide dealer for the specific equipment presented; 2) that the supplier is authorized to submit an offer on such equipment, and; 3) guarantees contract performance should the dealer fail to satisfactorily fulfill any obligations established as a result of the anticipated contract awards.

Manufacturer's Representative 02

Dealers who submit an offer as a manufacturers' representative must supplement the offer with a letter from each manufacturer involved certifying that the supplier is a bona fide dealer for the specific equipment presented, that the supplier is authorized to submit an offer on such equipment, and guarantees that should the dealer fail to satisfactorily fulfill any obligations established as a result of the anticipated contract awards, the manufacturer, upon assignment by

the State, will either assume and discharge such obligations or provide for their competent assumption by one or more bona fide dealers for the balance of the contract period.

Method of Approach

Offerors shall provide an electronic document or file entitled AD040511 [Offeror Name], Method of Approach. Multiple documents may be provided in a single file so long as this file is named in accordance with the aforementioned format and each of the included documents are similarly labeled differing only to indicate their respective contents. Offerors shall propose a Method of Approach in response to the Proposal Questions contained hereunder. Offerors Method of Approach shall adhere to the Scope of Work and all Requirements stated therein. Offerors shall clearly state their understanding of the Scope of Work and their acceptance of all Requirements, noting any exceptions they take, either within the text of the Requirements or in a sub-section of such exceptions. Offerors taking exceptions may propose alternate language for the State's consideration. Exceptions taken to the Scope of Work or the Requirements therein may negatively effect the State's evaluation of the offerors proposals.

METHOD OF APPROACH QUESTIONS TRANSITION

The State requires the Contractor to implement a State approved transition plan that results in the outsourcing of telecommunications services as described in section 8.3.

Describe any additional information, detail or access that would further refine and improve this portion of your proposal should you be determined susceptible of contract award and invited to participate in the subsequent phase of this solicitation.

METHOD OF APPROACH QUESTIONS HUMAN RESOURCES

Define employment terms and conditions

Define the employment offering and compensation plan (to include merit increases and bonus plans).

Define the employee benefit plan and explain the benefit transition process.

Describe how employee service credits will transfer and applied to vacation accrual and retirement benefits.

Describe the performance management process.

Describe the educational, professional and technical training programs offered to employees.

Describe the recipient organization in terms of function(s) and structure.

Develop a plan that describes the message(s), forum(s) and timing of employee communications.

METHOD OF APPROACH QUESTIONS NETWORK CONVERGENCY

Provide a comprehensive plan to migrate all agencies within the scope of this RFP to the outsourced environment within the life of this contract. This plan will be divided into logical phases, will approach migration at an Agency level to include all locations simultaneously and includes circuit consolidation. In addition, it will align migration with volumes and pricing.

Provide a human resources plan that supports the phases.

METHOD OF APPROACH QUESTIONS WAN

Provide a five-year strategic plan to build a converged backbone network State-wide to support all in-scope State agencies. Include proposed technologies, aggregation points, costs and any additional information required to support the plan.

METHOD OF APPROACH QUESTIONS BENCHMARKING

Provide the organizational philosophy on external performance benchmarking and its value for this Contract.

The State requires benchmarking be performed by a mutually agreed upon external consultant. Costs for this effort will be split evenly between the State and the Contractor.

METHOD OF APPROACH QUESTIONS OPERATIONS PLAN

Describe the methodology used to develop an annual operations plan. Describe linkage to strategy, customer experience, budget and service levels.
Define engineering guidelines, algorithms and processes utilized to manage capacity at optimum levels.
Describe the processes implemented, tools utilized and audits performed to ensure the integrity of the State's physical property, communications network and operations.
Describe the processes, systems and tools used to manage network performance.
Describe the processes, systems and tools used to manage network faults and customer reported trouble.
Describe the key metrics used to measure service level performance, customer experience and costs.
Define the processes used to manage performance towards continuous improvement

METHOD OF APPROACH QUESTIONS BUSINESS CONTINUITY AND DISASTER RECOVERY

Describe the organizational philosophy and approach to business continuity and disaster recovery.
Describe the organizational philosophy and approach to technology refresh. Provide assessment methodology as appropriate.
Describe the organizational philosophy and approach to new technology introductions. Provide assessment methodology as appropriate.

METHOD OF APPROACH QUESTIONS FINANCIAL PLAN

METHOD OF APPROACH QUESTIONS RELATIONSHIP PLAN

Provide a description of an inter-organizational governance structure and communication process that will support a successful business relationship.

METHOD OF APPROACH QUESTIONS SLA PLAN

How will you track problem resolution responsiveness and end-user satisfaction in a quantifiable manner? How often will you make these statistics available to the State?
Provide a proposed approach for managing service levels in the case where you are responsible for part, but not all, of the State's telecommunications services, particularly your responsibility is for the State WAN but not the Agency LANs and where individual Agencies may still be procuring and managing their own WAN and ISP services.
Describe the processes and tools for measuring and reporting service levels performance.
Provide a list of proposed service levels measurements, target levels, and minimum levels.
Provide a proposed performance credits formula for service level non-compliance.
Describe the processes and tools you use to monitor, measure and report on the health of the network and telecommunications infrastructure?

METHOD OF APPROACH QUESTIONS ASSETS PLAN

What systems and procedures will you use to track fixed assets? How will you keep those records current?
For the purposes of valuing equipment that the state might purchase from you at the termination of this contract, what depreciation method and term do you use to calculate Net Book Value by class of asset?

METHOD OF APPROACH QUESTIONS TERMINATION ASSISTANCE

Describe how you will effect an orderly transition either to the State or to another Contractor upon termination of this Contract for any reason.

METHOD OF APPROACH QUESTIONS HELP DESK AND CUSTOMER RELATIONSHIP MANAGEMENT

The State plans to develop and operate a Telecommunications Help Desk that will be the first point of contact for reporting incidents and requesting routine Moves/Adds/Changes of telecommunications services. The State's expectation is that the Telecommunications Help Desk will be able to resolve a certain percentage of incidents, and will pass others on to either the Contractor or to other State Agency Help Desk/Trouble Resolution functions as appropriate. The State plans to use the Help Desk tools to manage routine activity such as Moves/Adds/Changes in addition to trouble tickets. The State will be responsible for the staffing, management, and infrastructure requirements of the Telecommunications Help Desk (including any Help Desk/CRM software that is required).

Describe your Help Desk infrastructure, procedures, reporting tools, etc.

Based on the State's requirements, describe how you would interface your Help Desk with the State's Telecommunications Help Desk.

METHOD OF APPROACH QUESTION LIQUIDATED DAMAGES AND INCENTIVES

Provide a proposed approach for calculating and administering liquidated damages in the event that service levels do not meet the agree-upon levels.

Provide a preliminary assessment of where you believe the State could reduce its telecommunications expenses without negatively impacting service level

Provide a preliminary proposal for calculating and administering a liquidated incentives program wherein you are able to share a portion of the savings in telecommunications spending that you help the state realize.

METHOD OF APPROACH QUESTION ? SERVICE LEVELS AND SERVICE LEVEL MANAGEMENT

How will you track problem resolution responsiveness and end-user satisfaction in a quantifiable manner? How will you make these statistics available to the State (frequency and method)?

Describe the key metrics used to measure service level performance, customer experience and costs.

Provide a proposed approach for managing service levels in the case where you are responsible for part, but not all, of the State's telecommunications services, particularly your responsibility is for the State WAN but not the Agency LANs and where individual Agencies may still be procuring and managing their own WAN and ISP services.

Describe the processes and tools for measuring and reporting service levels performance.

Provide a list of proposed service levels measurements, target levels, and minimum levels.

The State's requirements and related terms and conditions for Service Level Measurement and Management are covered in Section X.X.X of Special T's and C's. Offerors are requested to provide suggestions for measuring and managing service levels in Special Instructions. Based on further analysis by the State and information provided by the Offerors, the State will define additional service level requirements that will be incorporated in the final Contract.

METHOD OF APPROACH QUESTION TECHNOLOGY REFRESH

Describe how you would propose to manage technology refresh over the duration of this contract.

Provide assessment methodology as appropriate, and describe how you would recover the costs of technology refresh in this contract.

Describe your methodology for evaluating and recommending new technology introductions. If possible, cite examples of projects where you took a lead role in identifying and implementing new technologies on projects where you were responsible for service delivery and service levels (instead of having been directly contracted to implement the new technology).

Minimum Tank Size

The minimum tank size to be included in this offer is five hundred (500) gallons. Offerors shall take the sizes of 'ALL' tanks in each delivery location into consideration.

Multiple Delivery/Service/Pick up schedule type contract

1. Offerors shall be obligated to meet or exceed the multiple delivery/service/pick up schedules defined in this solicitation and under any resultant contract(s).

1.1. Offerors are instructed to enter (0) in the solicitation section entitled Contract Delivery: Example (0 A.R.O. Days).

2. Any number or numbers, other than (0), entered in this area shall:

2.1. Have no force or effect, shall not be considered in the evaluation process and shall not be incorporated into any resultant contract.

3. All established delivery/service/pick up schedules contained in this solicitation shall prevail over those offered. Offeror(s) should take this fact into consideration before submitting their offer.

New/Current Products

All equipment, materials, parts and other components incorporated in the work or an item covered by this resultant contract shall be new, or the latest model and of the most suitable grade for the purpose intended. Any and all work under this resultant contract shall be performed in a skilled and workmanlike manner.

OEM Maintenance/Service Centers

In order to allow for an adequate evaluation, the state requires an offer in response to this solicitation to be valid and irrevocable for sixty (60) days after the opening time and date.

Offeror Status

1. Offerors should declare their status as one or more of the following along with providing all applicable United States Environmental Protection Agency, State, Local Identification numbers. This is to be done by completing the appropriate areas of the solicitation questionnaire section of entitled offeror status.

1.1. Transporter; A company that picks up used oil from all sources and delivers them to re-refiners, processors, or burners.

1.2. Re-refiner/Processor; A company that blends or removes impurities from used oil so that it can be burned for energy recovery or reused.

1.3. Burner; A company that burns used oil for energy recovery in boilers, industrial furnaces, or in hazardous waste incinerators.

1.4. Recycler: A company that recycles spent antifreeze.

2. The State reserves the right, at its sole option to verify declarations through independent means or request additional information from the offeror(s).

2.1. Request for additional information may include, but may not be limited to:

2.2. Submission of all applicable documents verifying identification numbers, licenses, etc.

2.3. Offerors shall have 5 days, from the date of notice, to respond to the States request.

3. Failure to compete and submit solicitation questionnaire section entitled offeror status or failure to provide the State with an adequate response to a request for additional information within the stated timeframe may result in the bid being deemed non-responsive. Additionally, any information found to be made in error or false shall result in the immediate rejection of the bid.

Offerors Responsibility

The offeror is cautioned that it is the offerors sole responsibility to submit information related to the evaluation categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the offerors proposal. Failure by the offeror to submit such information may cause an adverse impact on the evaluation of the offerors proposal.

Offshore Performance of Work Prohibited

Due to security and identity protection concerns, all services under this contract shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by all subcontractors at all tiers.

Optional Custom Cataloging

If offering, the offeror must provide a brief resume for the cataloging manager as part of the bid response.

Offeror must indicate the number of staff members that will routinely prepare cataloging & holdings records for libraries and indicate.

Optional Services (Cataloging & Processing)

Payment Discounts

Offeror(s) should indicate any prompt payment discount terms in the payment terms section of the solicitation.

Performance Bond

The contractor shall be required to furnish an irrevocable security in the amount of \$**** of the total contract price payable to the State of Arizona, binding the contractor to provide faithful performance of the contract.

Performance security shall be in the form of a performance bond, certified check or cashier's check. This security must be in the possession of the state within ten (10) calendar days from receipt of notice of award. If the contractor fails to execute the security document, as required, the contractor may be found in default and contract terminated by the state. In case of default, the state reserves all rights to recover as provided by law.

All performance bonds must be executed on forms substantially equivalent to the form included with this solicitation.

Post Walk-Thru Conference

Once the walk-thru of the facilities has been completed, the offerors are requested to return to the conference room for additional information and to give the State of Arizona the opportunity to further address any questions concerning this particular activity.

Price Submission

Catalog/Price List Discounts (Baseline Pricing) Group A: Offerors shall provide a single discount percent (%) from list price for all non-core catalog items (see Scope of Work for additional requirements) in the solicitation price sheet area, group A.

Core Item Pricing (Baseline Pricing) Group B: Offerors shall provide lowest net pricing (may be lower than single discount percent specified under group A) for all core items contained in the solicitation price area, group B.

Prices and Pricing

Offerors shall provide an electronic document or file entitled AD040511 [Offeror Name], Prices and Pricing. Multiple documents may be provided in a single file so long as this file is named in accordance with the aforementioned format and each of the included documents are similarly labeled differing only to indicate their respective contents.

PRICING QUESTIONS

Describe your proposed approach for calculating billed amounts to the agencies under this contract that would facilitate the agencies ability to plan and manage their telecommunications cost in a manner with the state's fiscal planning and budgeting cycles.

Pricing

Discount percentages and/or monetary (dollar) amounts to be deducted or charged to each ordering agency shall be listed by the offeror. These discounts and monetary amounts shall be applied to publishers' list prices. A range of discounts and monetary amounts may be offered; however, the offeror must identify, where possible, each specific discount within range and where or how it is to be applied. The publishers' list prices shall be the current prices as published and distributed to the trade by the publishers. List prices may be found in Books in Print, and/or Forthcoming Books, Publishers Trade List Annual, or the publisher's catalog less any applicable Publisher's Freight-Pass-Through (FTP) discount. Discount shall not decrease during the term of the contract. 'Monetary' is defined as 'Net Handling Charges' and 'Services'.

Private Brands

All offers for brands other than commercial mill brands must be accompanied by a letter from the producing mill certifying grade and paper type.

Product Groups/Established Catalog/Price List

The resultant contract shall cover a full range of products, product accessories and options as contained in specific product manufacturers established catalog/price lists for the groups specified. FULL RANGE meaning those products (of various sizes, quality levels, production series, etc. and their related options/accessories) that are within a specific product group and that are contained in specific product manufacturers established catalog/price lists.

For the purpose of this solicitation, an established catalog/price list means the price included in a catalog, price list, schedule or other form that is regularly maintained by a manufacturer, is either published or otherwise available for inspection by customers, that states prices at which sales are currently or were last made to a significant number of any category of buyers or buyers constituting the general buying public for the materials or services involved.

The product groups covered in this solicitation are:

Product Line Requirement

Offeror is required to offer a complete product line by one manufacturer for each of the two (light duty and heavy duty) categories outlined. A complete or full line of filter supplies is defined as

having the capability of covering a minimum of 90% of the states requirements. Usage reports are available for review in the State Procurement Office.

Product Return

Any agency utilizing any resulting contract may return any or all unused product(s), in there original container or package, to the contractor for exchange or credit at the current contract price during the term of this contract with no restocking fee. All product(s) will be returned in a timely manner during the period of the contract. Proof of purchase will be attempted but shall not be required. A full refund shall be issued for all unused product(s) returned to the supplier up to ninety (90) days after contract expiration. A credit may be issued only if there is an existing sale pending. Credit to any Agency account will not be accepted after contract expiration. The supplier will issue a check for full reimbursement to the Agency.

Special order items may be returned with a restocking fee.

Proposal Content

The offeror must make a firm commitment to provide services as required and proposed. The material contained in your proposal should be relevant to the service requirements stated in the solicitation and submitted in a sequence that reflects the scope of work portion of this document and information relevant to the designated evaluation criteria as stated herein. Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal. Although information concerning each of the following areas will be covered in the Questionnaire that the Offeror is required to complete, the Offeror should insure that its proposal contains information relevant to each of the following:

1. Experience, Expertise, Areas of past performance (Offeror & key personnel)
 - a. The Offeror's proposal should include relevant information that demonstrates the Offeror's working knowledge in order to successfully perform the range of services required in this solicitation.
 - b. The Offeror may wish to submit samples of audit reports or similar documents completed by each of the designated key personnel that reflect their knowledge level.
2. The offeror should provide a resume, evidence of certification, and data related to previous work assignments as may relate to this RFP for each of the key personnel to be assigned to the project.
3. The Offeror is required to provide key personnel who are have the experience, training, expertise, and certifications necessary to provide the range of services specified in this solicitation. The key personnel are to be classified as employees with the understanding that employees shall mean those individuals required by law to have I.R.S. forms completed and filed who are considered to be a permanent employee of the contractor's organization, whether full or part-time status.
4. Provide a minimum of four (4) verifiable professional references that are able to comment on their experience in working with your firm and key personnel on projects of a similar nature to those required in this solicitation.
5. In the event that Subcontractors are utilized to provide any service outlined in this solicitation, the offeror should include the following information regarding subcontractors:
 - a. name of the firm and individual(s) who will provide direct services
 - b. the anticipated number of hours the individual will be utilized during a work week
 - c. a commitment statement from the firm and designated individual(s) who will provide service
 - d. individual(s) area of responsibilities under a resultant contract.

6. Questionnaire: The Offeror should provide a detailed response to each question in a complete and straightforward manner.

7. Cost: The Offeror is directed to complete the Pricing Sheet portion of this solicitation with the understanding that the rates provided by the Offeror are considered all-inclusive with the exception of reimbursement for approved travel related costs as specified in the Special Terms and Conditions portion of this solicitation.

Proposals: SPIRIT Submission Requirement

In accordance with the Uniform Instructions 3.1, Forms: No Facsimile, Telegraphic or Electronic Mail Offers; proposals to this solicitation shall be submitted in an acceptable electronic format, as described herein, using the State's online eProcurement application SPIRIT. Submission of offers by means other than the SPIRIT system will not be accepted. Potential offerors with questions in this regard shall contact the State Procurement Office prior to the solicitations due date and time.

Purchases from List Price

Discounts shall be based on the publishers' list price, not freight-pass-through price.

Purpose

Pursuant to provisions of the Arizona Procurement Code, ARS 41-2501 et seq., the State of Arizona, State Procurement Office intends to establish a contract for the materials or services as listed herein.

Purpose – Commodities

In accordance with the Arizona Procurement Code, ARS 41-2501 et seq., the State of Arizona, State Procurement Office intends to establish a statewide term contract for packaging, removal, transporting, disposal and field testing services for all of the following non-hazardous materials. Used motor oils, oil filters, transmission fluids, miscellaneous automotive lubricants, used/spent anti-freeze, contaminated fuels and sump materials in accordance with the Terms and Conditions and Specifications contained herein.

Quality

All products shall be of number one quality.

Quantity Purchase Option

Offerors may offer special discount rate to customers for stand-alone quantity purchases (e.g. one or more units purchased at one time). Those offering such are requested to indicate so in the space provided on the price sheet section of this solicitation. If additional discounts (percent % off of net pricing bid) are being offered to the State for using this option, offerors should specify such discount percent(s) % in the appropriate area of the solicitations price sheets. This is an optional provision and therefore will not be used in the State's evaluation process.

Questionnaire Section

Offeror(s) should complete the entire questionnaire section of the Request for Proposal. The offerors responses should be in the form of a brief written narrative demonstrating the Offerors ability to satisfy the Scope of Work. The narrative should describe a logical progression of tasks and efforts starting with the initial steps or tasks to be accomplished and continuing until all proposed tasks are fully described. The language of the narrative should be straightforward and limited to facts, solutions to problems, and plans of proposed action. The use of technical language should be minimized and used only to describe a technical process.

References

Offeror(s) should submit a list of three business references including business name, address, contact name and telephone numbers in the appropriate area of the solicitation. In-state and/or

government references are preferred. Failure to submit this information with the bid may result in the bid being considered non responsive.

Region Pricing

The state has been divided into *** (*) regions as described below to allow for transportation costs incurred to reach remote areas.

REGION 1: *** Counties.

REGION 2: *** Counties.

Regional Delivery/Service Areas and Pricing

1. Offeror(s) are to provide firm fixed prices for all items within an established group (grp). The established groups represent specific regions of the state where service may be required. Established Groups/Regions are defined in the price sheet areas of the solicitation.

2. Established groups contained in this solicitation are:

2.1. Group 'A' Central Region, Service Area; Maricopa and Pinal Counties.

2.2. Group 'B' Southern Region, Service Area; Yuma, Pima, Santa Cruz, Cochise, Graham and Greenlee Counties.

2.3. Group 'C' Northeast Region, Service Area; Gila, Navajo and Apache Counties.

2.4. Group 'D' Northeast Region, Service Area; Yavapai, Coconino, LaPaz and Mohave Counties.

3. Offerors may elect to bid on one or more established group/Region based on the offerors servicing abilities.

Required Review

Offerors should carefully review this solicitation for defects and questionable or objectionable matter. Comments concerning defects and objectionable material must be made in writing and received by the State at least seven (7) days prior to the proposal's due date. Protests based on any omission or error, or on the content of the solicitation, may be disallowed if these faults have not been previously brought to the attention of the State as required herein.

In the event of a contract awarded, no plea of ignorance of conditions that exist, or may hereafter exist, or of difficulties that may be encountered in the provision of services under the contract will be accepted as an excuse for any failure or omission on the part of the contractor to fulfill in every detail all of the requirements of the contract, nor accepted as a basis for any claims for extra compensation.

Responsibility, Responsiveness and Acceptability

In accordance with A.R.S. 41-2534(G), A.A.C. R2-7-330 and R2-7-354, State shall consider the following in determining offerors' responsibility as well as the responsiveness and acceptability of their proposals. Offerors may not be considered responsible if they have been debarred from the practice of their profession that would otherwise be necessary in the provision of goods and services under any resulting contract. Offerors may not be considered responsible if they have had a contract with the State, within the last three-years, that was terminated for cause, due to breach or similar failure to comply with the terms of any such contract. Offerors may also not be considered responsible if there is factual evidence of their frequent and reoccurring failure to satisfy the terms of their agreements and contractual relationships, both with the State or other government entities. Factual evidence shall consist of any documented vendor performance reports, customer complaints and/or negative references.

Proposals may not be considered responsive and/or acceptable if they do not contain information sufficient to evaluate the proposal in accordance with the factors identified in the solicitation or other necessary proposal components. Necessary components include: an indication of the Offeror's intent to be bound, price proposal, solicitation amendments, bond and reference data as required.

Samples

Samples of items, when requested, must be submitted within 15-30 days, depending on whether it is a stock item or mill item, unless otherwise specified by the State Procurement Office. Samples shall be furnished at no expense to the state and shall be identified as to the supplier, manufacturer, part number, model number, type, grade, applicable stock number, etc. If not destroyed by testing, samples will be returned at the supplier's request and expense. If no instructions are received for the their return, samples will be discarded 30 days after award date.

Security Clearance

A security clearance shall be required of the contractor and of all employees of the contractor or subcontractor who will have access to the facilities or operations of the following agency(s):

Services

Cost/pricing shall be expressed in specific monetary amounts, not percentages.

Offerors shall identify, define, and provide a short description of the service(s) offered. Also, offerors shall include any additional service pricing that may apply. Bid pages may be duplicated as necessary.

Single Award Contract

This is an all or nothing solicitation. All items within this solicitation have been grouped together for purposes of obtaining these items collectively from a single source due to such factors as delivery location, pricing advantage, compatibility, etc. To be considered for award of this solicitation, the offeror is required to provide prices on all items within this solicitation. Failure to provide pricing for any item within the solicitation shall result in the offeror being declared non-responsive and ineligible to receive an award.

Single Bulk Purchase Option

Offeror(s) are urged to offer additional discounts (percent %) from list price to customers for stand-alone single bulk purchases. Those offering additional discounts shall do so by completing complete the solicitation questionnaire section entitled Quantity Discount Option. Participation is optional, therefore will not be used in the State's bid evaluation process.

Site Inspection

To arrange a site visit to see the equipment that is to be maintained, please contact

_____, 542- _____

at the office of _____. Failure of the offeror to visit the site of the work and fully inform themselves as to all conditions will in no way relieve the successful offeror from responsibility for satisfactory and complete performance of the contract.

Site Walk-Thru

Immediately following the Pre-Offeror Conference, the offerors will be taken on a tour of the facilities. The offerors will be given the opportunity to carefully examine the entire site of the task and to make all necessary investigations to inform themselves thoroughly as to the facilities available as well as to all the difficulties involved in the completion of all work in accordance with the specifications attached hereto. Offerors are also invited to examine all plans and data mentioned in the specifications.

In the event the offeror is awarded a contract, no plea of ignorance of conditions that exist, or may hereafter exist, or of difficulties that may be encountered in the execution of the task under

the contract will be accepted as an excuse for any failure or omission on the part of the contractor to fulfill in every detail all of the requirements of the contract, nor accepted as a basis for any claims for extra compensation.

A written record will be kept of those offerors who inspected the facilities.

Solicitation Process

In accordance with R2-7-326, et seq., the State hereby issues this Request for Proposals (RFP), for the provision of telecommunications management and services as described herein. As provided under the Arizona Procurement Code, the State shall utilize a two-phase source selection process to evaluate and award a contract resulting from this solicitation.

PHASE ONE - OFFEROR CAPACITY AND SUSCEPTIBILITY

The purpose of Phase One is to receive and evaluate proposals in response to this solicitation, and to determine which of them is susceptible for contract award and consequently eligible for further discussions and consideration.

Phase One begins with the initial evaluation of proposals received in response to this solicitation. The State will evaluate all such proposals based on the evaluation criteria as stated herein ? asking for clarifications as necessary while conducting all such evaluations. Phase One ends with a preliminary determination of those proposals that are susceptible for contract award. These offerors shall be notified and invited to participate in the subsequent phase of the solicitation. All other proposals determined unsuitable shall be notified at this time as well.

PHASE TWO - DISCOVERY AND DISCUSSIONS

The purpose of Phase Two is to allow suitable offerors time to gather information and engage the State in discussions regarding their proposal in response to this solicitation, and to determine which proposal is most advantageous to the State.

Phase Two of this process will begin with an initial meeting with each remaining suitable offeror to discuss those aspects of their proposal that are of interest to the State and/or require further development. In this phase, suitable offerors may request additional information, additional detail, facilities and personnel access , all of which will be monitored by the State. Information made available to any offeror during this phase shall be shared with all remaining suitable offerors, such that the sharing of this information does not divulge material aspects of the offerors' proposals to the other suitable offerors. Based on this exchange of information and discussions, the State will request from each of the suitable offerors to revise their respective proposals and re-submit them as a Best and Final Offer. Phase Two ends upon receipt of the revised proposals. The State will again evaluate the suitable proposals, using the same evaluation factors stated herein, and if it is in the best interest of the State to do so, award a contract to the suitable offeror whose proposal was determined to be the most advantageous to the State.

Special Educational Purchase Option

Offeror(s) are urged to offer additional discount (percent %) from list price to qualifying special educational institutions (e.g. K-12, Colleges and Universities). Those offering additional discounts shall do so by completing the solicitation questionnaire section entitled Special Educational Discount Option. Participation is optional, therefore will not be used in the State's bid evaluation process.

Specification

The specifications list the minimum acceptable requirements for the base unit; however, it is required that the offeror shall enter the exact specification of the unit in the space provided. This

shall be considered a mandatory requirement of the solicitation. Failure to furnish all information shall warrant the bid incomplete and will not be considered for award.

State of Arizona Purchasing Card (P Card) Program Option

The State of Arizona has implemented a purchasing card program. Participating contractors may receive payments from State agencies via this purchasing card program in the same manner as other credit card type purchases. Offeror(s) should consult with their servicing bank to discuss this program and all applicable fees.

Those electing to participate in the State of Arizona purchasing card program shall affirm by entering Yes in the appropriate solicitation questionnaire section entitled State of Arizona Purchasing Card (P Card) Program.

Additionally, knowing that the utilization of the purchasing card program should result in lower administrative costs for both the supplier as well as the state we also request that the bidder(s) offer any additional discount (percent %) from list price for those eligible agencies who may implement this option. Those offering the additional discount (percent %) from list price shall do so by completing the solicitation questionnaire section entitled State of Arizona Purchasing Card (P Card) Program. Participation is optional, therefore will not be used in the State bid evaluation process.

Telephone Ordering Support

Offeror(s) are to provide and maintain a toll-free telephone number for customer ordering support. Offeror(s) are to enter their toll-free telephone number in the solicitation questionnaire section entitled Telephone Ordering Support. Failure to provide this information with the bid and/or failure to maintain this service may be cause for rejection of the bid and/or cancellation of any subsequent contract.

Tire Return Policy, Unused Stock

Offerors are encouraged to supply their policy for the return of excess eligible agency unused stock tires only. This policy may be submitted as an attachment to the bid. This is not a mandatory requirement, therefore will not be used in the State's bid evaluation process.

Trade-Ins

Each offeror shall offer, as an option, at the sole discretion of the agency, a trade-in allowance for _____ currently located at _____. Contact _____ at _____ for questions and an appointment to inspect the equipment.

Training (Statement from Proposal)

Each offer shall include a complete statement of the training that shall be provided by the supplier for equipment supplied.

UL Approval

Underwriters Laboratories approval classification cards for each line item shall be included with the response.

Vehicle Pricing

A total price shall be offered for each standard base vehicle specification. All additional options which may be purchased during the term of the contract shall be priced at dealer invoice which is shown in the column referenced 'cost' in the 'Kelly Blue Book, New Price Manual' for 1998 models pricing for each model shall be based on the first publication of the 'Kelley Blue Book, New Price Manual' which lists dealer invoice pricing for the model and shall be firm for the duration of the contract. All prices which are stated in the 'Kelly Blue Book, New Price Manual' shall be considered correct unless otherwise stated and supported in writing to the State Procurement Office for review. If pricing is not available in the 'Kelly Blue Book, New Price Manual' for individual models at the time of receipt of the purchase order, then dealer invoice shall still prevail

and shall be stated and supported to the ordering agency with documentation of general circulation format from the manufacturer. Failure to price in this manner shall be cause for offer rejection or contract cancellation.

Warranty

Each offer must provide a *** warranty /guarantee against defects in materials, workmanship and/or performance for all items.

WSCA Participating Addendums

The Terms and Conditions agreed upon in the WSCA Participating Addendums take precedence over Uniform Terms and Condition and Special Terms and Conditions listed elsewhere in the SPIRIT contract. When investigating Terms and Conditions please reference the individual PAs.

SPECIAL TERMS AND CONDITIONS

Assistance upon Termination

The State shall have the right to extend offers of employment to any contractor employees to protect the continuance of service to the State. All non-competition agreements for such employees shall be disregarded in this case. Contractor shall provide reasonable access to these employees and will not interfere with the State's efforts to hire them.

Contractor will provide to the State at the termination of the contract, no matter how occasioned, the option to buy or lease back any or all dedicated equipment, furniture, fixtures, and facilities at net book value. Contractor will agree to leave said equipment certified for maintenance by the contractor prior to transfer.

The State shall have the option to assume contracts for any services provided by third parties to the contractor and used by the contractor to provide services to the State, and the contracts between the Contractor and any third parties or sub-contractors shall be written so that they are assumable by the State or new Contractor assuming responsibility for outsourced telecommunications, at the sole option of the State or that new Contractor.

Commencing at least six (6) months prior to termination and continuing through the effective date of termination, contractor shall provide the State with termination assistance. In addition, contractor shall provide, upon the State's request, termination assistance for up to six (6) months following the date of termination. The State may request an additional period of assistance not to exceed six (6) months.

If the Contractor has incorporated the State's network into a contractor proprietary network, the contractor will provide up to two (2) years continued network services at the then current contract rates for such service. This will permit the State to establish a replacement capability in an orderly manner..

The Contractor must propose how it will price termination assistance services that it will provide to The State immediately preceding and for some time after contract termination.

Bill of Lading

The contractor shall provide the eligible using agency with all associated paperwork before removal of product from the agencies site, including a bill of lading for each specified lot. Each bill of lading shall contain, at a minimum, the material type, quantity, lot number, (tracking and Identification numbers, such as the Environmental Protections Agency's 12 digit I.D. number, if different from lot number).

Catalogs/Contract Price Listing

As applicable, the contractor(s) shall be required to furnish to all requesting agencies and eligible political sub-divisions, catalogs at no cost which will outline contract prices.

Billing

All billing notices shall include delivery time, and contractual payment terms. Items are to be identified by the name, model number, contract number, line item number, and serial number if applicable. Any contract release order issued by the requesting agency shall refer to the contract number and line item number(s).

Billing – Commodities

1. All billing notices or invoices shall be sent to the eligible using agency whose address appears on the contract release order/purchase order as the 'bill to address' and should contain, at a minimum, the following information.

1.1. Name and address of the contractor;

- 1.2. Both the contract number and contract release/purchase order number;
- 1.3. The contractor's federal tax identification number;
- 1.4. The contractor's remittance address;
- 1.5. A description of the goods or services provided;
- 1.6. Quantity and delivery/service timeframe;
- 1.7. Itemized (if applicable) and total invoice pricing.

Billing (Tubes/Tires)

1. All billing notices or invoices shall be sent to the eligible using agency whose address appears on the contract release order/purchase order as the "bill to address" and should contain, at a minimum, the following information.

- 1.1. Name and address of the contractor;
- 1.2. Both the contract number and contract release/purchase order number;
- 1.3. The contractor's federal tax identification number;
- 1.4. The contractor's remittance address;
- 1.5. A description of the goods or services provided (inclusive of manufacture date and serial number);
- 1.6. Purchase quantity and delivery/service time;
- 1.7. Itemized (if applicable) and total invoice pricing. (Pricing shall be the contract price inclusive of any and all applicable discounts), and
- 1.8. For drive in service; either the vehicle I.D number or license plate number.
- 1.9. For Tire/Tubes purchased for a specific vehicle or vehicles, other than drive in service; either the vehicle I.D. number or license plate number as provided by the eligible ordering agency.

Catalogs/Contract Price Listing

As applicable, the contractor(s) shall be required to furnish to all requesting agencies and eligible political sub-divisions, catalogs at no cost which will outline contract prices.

Catalog/Price list, Maintenance (electronic/hard copy)

1. The contractor shall provide and maintain electronic and hard copy versions of all contracted catalog/price lists during the contract term. Electronic versions shall be in either of the following formats. No alterations, amendments or updates shall be allowed without prior approval by the State. This is covered in more detail in paragraph 4.

1.1. Internet versions available through a Universal Resource Locator (URL) link, or;

1.2. Portable Document Format (pdf) versions attached to the contract.

2. All versions shall list all products the contractor is authorized to sell under the contract along with clearly indicating, at a minimum the following:

2.1. The contract number;

2.2. Part numbers and descriptions (photos optional) of all contracted products or groups of products. Non-contracted products or groups of products shall either be deleted or clearly marked through as EXCLUDED FROM CONTRACT.

2.3. Pricing information;

2.4. The discount (percent %) from list price for each product;

2.5. Ordering information, Key Personnel; and

2.6. Service/Distribution points organized geographically by city or county (subcontractors).

3. The State Procurement Office, at its sole discretion, may maintain the contractor's electronic catalog/price list data or provide electronic links to it through our SPIRIT web-site. Regardless of the number and types of links to the contractor's electronic catalog/price list, the contractor shall ensure that all eligible agencies are able to access one, and only one, version of contracted catalog/price list.

4. Upon award and during the term of the contract the contractor shall not alter, modify or update either the electronic or hard copy versions of the catalog/price list without prior approval by the State (see revised replacement catalog price/list provision for additional requirements). Hard copy versions shall be made available to all requesting agencies. All associated cost shall be borne by the contractor.

Certifications

All key personnel when required shall provide evidence of their certification(s) relevant to the services provided under the contract.

Changes (Fixed Price)

The State may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following, 1) description of services to be performed, 2) time of performance, e.g., hours of the day, days of the week, 3) place of performance of the services, 4) drawings, designs or specifications when the supplies to be furnished are to be specially manufactured for the State in accordance with the drawings, designs or specifications, 5) method of shipment or packing of supplies, place of delivery.

The Contractor shall respond to the Change Order with a proposal. If any such change causes an increase or decrease in the cost of, or the time required for the performance of any part of the work under this contract, whether changed or not changed by the Change Order, the Procurement Officer shall make an equitable adjustment in the contract price, the delivery schedule or both and shall modify the contract in writing accordingly.

Code of Conduct

The contractor shall avoid any action that might create or result in the appearance of a) inappropriate use or divulging of information gathered or discovered pursuant to the performance of its duties under the contract; b) acted on behalf of the State without appropriate authorization; c) provided favorable or unfavorable treatment to anyone; d) made a decision on behalf of the State that exceeded its authority, could result in impartiality, or have a political consequence for the State; e) misrepresent or otherwise impeded the efficiency, authority, actions, policies, or adversely affect the confidence of the public or integrity of the State; or, f) loss of impartiality when advising the State.

Confidentiality of Records

The contractor shall establish and maintain procedures and controls acceptable to the State for the purpose of assuring that information or data in its possession is not mishandled, misused, released, disclosed, or used in an inappropriate manner by it, its agents, officers, or employees. This includes information contained in its records obtained from the State or others, necessary for contract performance. The contractor shall take all reasonable steps and precautions to safeguard this information and data and shall not divulge the information or data to parties other than those needed for the performance of duties under the contract.

Confidentiality (End-users)

Notwithstanding aggregate usage statistics used for reporting purposes, Contractor shall keep confidential all information concerning individual end-users. Contractor shall not, under any conditions, resell, transfer or convey information about end-users to any third party. Contractor shall not retain or reuse information about the end-users in their own operations.

Contraband

Any person who takes into or out of, or attempts to take into or out of a correctional facility or the grounds belonging to adjacent to a correctional facility, any item not specifically authorized by the correctional facility shall be prosecuted under the provisions of the Arizona Revised Statutes. All persons, including employees and visitors, entering upon these confines are subject to routine searches of their person, vehicles, property of packages.

DEFINITION - A.R.S. § 13-2501

Contraband means any dangerous drug, narcotic drug, intoxication liquor of any kind, deadly weapon, dangerous instrument, explosive or any other article whose use or possession would endanger the safety, security, or preservation of order in a correctional institution or any person therein. (Any other article includes any substance which could cause abnormal behavior, i.e. marijuana, non-prescription medication, etc.)

PROMOTING PRISON CONTRABAND - A.R.S. § 13-2505

1. A person, not otherwise authorized by law, commits promoting prison contraband:

A. By knowingly taking contraband into a correctional facility or the grounds of such a facility; or

B. By knowingly conveying contraband to any person confined in a correctional facility; or

C. By knowingly making, obtaining or possessing contraband while being confined in a correctional facility.

2. Promoting prison contraband is a Class 5 felony.

Contract

The contract between the State of Arizona and the contractor shall consist of the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by the contractor, their responses to any requests for clarifications and/or their best and final offer. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the solicitation as amended shall govern. However, the State reserves the right to clarify any contractual relationship in writing, and such written clarification shall govern in case of conflict with the applicable requirements stated in the solicitation as amended or the contractor's proposal. In all other matters not affected by the written clarification, if any, the solicitation shall govern.

Contract Extension

The contract term is for a one (1) year period subject to additional successive periods of a maximum twelve months per extension with a maximum aggregate including all extensions not to exceed **** years

Contract Extension (24 Months-Maintenance)

The contract shall not bind nor purport to bind the state for any contractual commitment in excess of the original contract period. The state shall have the right, at its sole option, to renew the contract for maintenance for two(2) one-year periods or a portion thereof by unilateral amendment. If the state exercises such rights, all terms conditions and provision of the original contract shall remain the same and apply during the renewal period with the exception of price. The contractor shall agree that the prices stated in the original contract shall not be increased in excess of the maximum percentage of increase stated on the pricing schedule attached to this document. The term of any extension period(s) shall cover on-site maintenance as defined herein.

Contract Extension (24 Months)

By mutual written contract amendment, any resultant contract may be extended for supplemental periods of up to a maximum of 24 months.

Contract Extension (Months)

By mutual written contract amendment, any resultant contract may be extended for 4 additional one-year periods or portions thereof for a total contract term not to exceed 5 years.

Contract Implementation Meetings

Upon award, the contractor may be required to participate in meetings for the successful implementation of the contract. The meetings will be at the discretion of the agency. The contractor will be notified in advance of the meeting(s) time, frequency, and locations to ensure all appropriate contract staff and representatives attend. The State reserves the right to decline conference call attendance or participation.

Contract Reports

1. The contractor shall be required to furnish the following reports to the State Procurement Office against this contract on a quarterly basis at no additional cost to the state:

1.1. Total contract usage reports: Identifying all eligible using agencies and total dollar volumes purchased by each eligible using agency during the reporting period. Although not required under this reporting activity, the contractor shall provide itemized usage reports detailing all acquisitions against this contract upon request.

2. Reports shall be due at the end of each 3-month contract period to be furnished to the contract officer of record no later than 15 days after the end of each 3-month contract period.

3. The information contained in these contract reports and the accurate and timely submission thereof are critical components used by the State. Failure by the contractor to submit accurate and timely contract reports against this contract may be cause for cancellation of the contract.

Contract Termination

Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor

is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

Termination for Default. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

Contract Type (as Needed)

The contract shall be on an as needed, if needed basis.

Contract Type (Firm)

Firm fixed price indefinite quantity.

Contract Type (Term)

Fixed price term indefinite quantity.

Credit Reviews

The State of Arizona reserves the right to request a credit review on each Offeror and/or any subcontractors offered in their proposal. Such credit reviews will be considered 'confidential' information, and will be treated as such after evaluations and prior to contract award. Such credit reviews will not be available for public review.

Current Models

It is the State's intent to procure materials of the latest technology. Therefore, materials bid must have a market place introduction date of 1992 or later. All materials bid must be in current production and parts must be available for a minimum of five (5) years from bid date.

Damage of Print Production Media

All originals, photographs, artwork, paste-ups, negative, dies and/or magnetic media shall be in a usable condition and any damage thereof shall be considered the responsibility of the contractor.

Dealership, Participating Service and Delivery Locations

1. The contractor may submit, at any time during the contract period, new dealership, participating service and delivery locations that will be used as subcontractors for both product deliveries and drive in service centers under the contract. Request are to be submitted electronically and shall contain:

1.1. The dealer or outlet name;

1.2. Location (physical address);

1.3. Telephone/fax numbers and e-mail information;

1.4. Key personnel at that location;

3. Approval shall be in the form of a contract amendment, and shall become effective on the date specified in the amendment.

Defective Products

All defective products shall be replaced and exchanged by the contractor. The cost of transportation, unpacking, inspection, repacking, reshipping or other like expenses shall be paid by the vendor. All replacement products must be received by the state within seven (7) days of initial notification

Delivery (Days)

Delivery shall be made within ***** days of receipt of a contract release order/purchase order.

Delivery (Minimum)

Prices shall be F.O.B. destination for all orders over \$ ***.00. For shipments less than the minimum order, transportation charges will be added as a separate item on the invoice except at no time shall the freight charges exceed the amount normally charged for shipments from the nearest trade area.

Delivery/Pick Up/Drive in Service

1. All deliveries shall be FOB destination, statewide freight prepaid and included in the contract price. In the event of a discrepancy between the requirements contained in this section any those contained in other areas of the contract, the requirements contained in this section shall prevail. Delivery requirements shall apply to all locations, statewide.

1.1. New product deliveries to purchasers locations shall be made within:

1.1.1. (10) days of receipt of a contract release order/purchase order for tires and tubes commonly inventoried at a local or regional warehouse; or

1.1.2. (20) days of receipt of a contract release order/purchase order for tires and tubes shipped from a national warehouse.

1.2. New products available from subcontract dealers as will call pick up at participating locations shall be made within:

1.2.1. (4) days of receipt of a contract release order/purchase order for tires and tubes commonly stocked in subcontractor's inventory; or

1.2.2. (7) days of a contract release order/purchase order when tires and tubes are shipped from a local or regional warehouse to the subcontractor; or

1.2.3. (20) days of a contract release order/purchase order for tires and tubes shipped from a

national warehouse to the subcontractor.

1.3. Drive in service available from subcontract dealers, inclusive of new tire purchase and installation in accordance with the requirements established herein shall be performed as:

1.3.1. A first come first serve basis during normal business hours for those tires and tubes available at the drive in location, or;

1.3.2. As mutually agreed upon by the ordering eligible agency and the contractor.

Deviations To Printing Requirements

A customer agency contact has been designated in order to provide information regarding copy, artwork, samples, etc. It is the responsibility of the vendor to contact that individual to verify any requirements prior to the submission of a bid. However, any deviation from the specifications or contract terms that may affect the bid price must be approved by the responsible purchasing authority. Failure to obtain approval from the purchasing authority for the alteration of any portion of the bid or resultant contract may be cause for offer rejection or contract cancellation.

Discount Rates

1. The contractor(s) shall disclose and honor all applicable discount rates contained herein (i.e. discount from list price, electronic ordering systems, annual volume discount program, Single bulk purchase, State of Arizona purchasing card ?P- Card? Program, special educational and prompt payment discounts). Disclosure shall, at a minimum be done using the following methods:

1.1. Prominently displayed on electronic media supplied by the contractor and approved by the State;

1.2. Prominently displayed on all written price communications, order conformations and invoice activities;

1.3. Disclosed during all verbal correspondence with an eligible ordering agency.

Failure to disclose and honor all applicable discount rates to eligible ordering agencies may result in contract cancellation or any other remedy available by law, inclusive of the issuing of credits or refunds to all affected agencies.

Disposition of Print Production Media

All originals, photographs, artwork, paste-ups, negatives, dies and/or magnetic media or any other work used in the production of the printing called for in the bid shall remain and/or become the exclusive property of the State of Arizona and shall be delivered to the ordering agency along with the printed material.

Electronic Ordering Systems

1. Systems that provide electronic commerce assistance for the electronic submission of purchase orders, purchase order tracking and reporting available through a contractor?s Electronic Data Interchange (EDI) system or secured internet/web portal. This provision shall only apply to those contractors who have such systems available under the contract. The contractor?s system, at a minimum shall:

1.1. Be made available to all eligible agencies. Utilization shall be the sole discretion of the eligible agency;

1.2. Be implemented with a training program to the agency on how to use the system;

1.3. Be maintained by the contractor;

1.4. Be a secure connection;

1.5. Not allow for purchase orders to be placed for non-contract or excluded items.

1.6. Provide multiple or individual access to the system (agency elect);

2. Eligible agencies may elect, at their own discretion to utilize the contractor's electronic ordering system. Should an eligible agency elect to use the system they shall do so by formal request to the contractor.

2.1. Upon receipt of the request the contractor shall have the system fully installed and functioning within 30 day from receipt of the request, or as mutually agreed upon between the agency and the contractor.

2.2. Initial training shall either be performed upon completion of the installation or as mutually agreed upon between the agency and the contractor.

3. Upon contract termination or at the request of an agency the contractor shall uninstall all features of the system within 30 days.

4. Contractor's not having electronic ordering systems at time of award but who may wish to offer such, may do so at any time during the contract period by providing a written request to the contract specialist of record. Systems offered shall meet all criteria established above. Incorporation of the offered system shall be in the form of a contract amendment.

5. All cost associated with installation, training, maintenance, support and removal of such systems shall be borne by the contractor

Eligible Agencies (Identified)

This contract shall be for the exclusive use of those State of Arizona departments, agencies, commissions, boards, eligible universities, political subdivisions and nonprofit educational or public health institutions identified in the price sheet section of this solicitation.

Eligible Agencies (State Agencies Only)

Any contract resulting from this solicitation shall be for the use of all State of Arizona departments, agencies and boards.

Eligible Agencies (Statewide)

This contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible universities, political subdivisions and nonprofit educational or public health institutions may participate at their discretion. In order to participate in this contract, a university, political subdivision, or nonprofit educational or public health institution must have entered into a cooperative purchasing agreement with the State Procurement Office as required by Arizona Revised Statutes 41-2632.

EPA Energy Star Products

HB 2324, Chapter 114, A.R.S. 34-451 requires that the State of Arizona purchase Energy Star products or products certified by the Federal Energy Management Program as energy efficient for all product classifications available. If an Energy Star product or certified product is available, documentation of the Energy Star status or certification must be submitted with the offer. Failure to submit the required documentation may deem the offer as non-responsive.

Estimated Contract Value

Contract purchases for **** totaled approximately \$***.00 during a period of twelve (12) months.

Estimated Quantities (General)

This solicitation references quantities as a general indication of the needs of the state. The state anticipates considerable activity resulting from contracts that will be awarded as a result of this solicitation; however, the quantities shown are estimates only and the state reserves the right to increase or decrease any quantities actually acquired. No commitment of any kind is made concerning quantities and that fact should be taken into consideration by each potential contractor.

Estimated Quantities (Considerable)

The state anticipates considerable activity resulting from contracts that will be awarded as a result of this solicitation; however, no commitment of any kind is made concerning quantities actually acquired and that fact should be taken into consideration by each potential contractor.

Excess Spent Tire Removal Service Program

This provision shall only apply to those contractors who have elected to participate in this program. Additionally, this service shall not be used in lieu of the requirements established under specification section 3.1.3 and 3.1.3.1. Use of this program shall be at the sole discretion of the eligible agency (non mandatory). Those contractors who have elected to participate shall provide excess spent tire removal services, through their local dealership network (a.k.a. subcontractors).

Upon request by an eligible using agency the contractor shall provide these services within the dates and times specified at the firm fixed unit price per tire contained herein.

Facilities

The State shall provide facilities, including water, electricity, phone service, LAN connectivity and basic office furnishings, for the Contractor. The Contractor shall be allotted adequate space for the operation of all voice and WAN services identified in the contract, to the extent that such space is available. Any unique space requirements, unique furniture or fixtures, and computers and similar office equipment are the responsibility of the contractor.

No other functions other than official State business may be performed in State facilities.

Firm Quantities

This solicitation references quantities as a specific indication of the needs of the state.

HIPAA

State of Arizona and Business Associate agree to comply with the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ('HIPAA'), as set forth in Title 45, Parts 160 and 164 of the Code of Federal Regulations (the 'CFR'). In the event of conflicting terms or conditions, this Addendum shall supersede the Contract.

1. Definitions. Capitalized terms not otherwise defined in the Contract shall have the meanings given to them in Title 45, Parts 160 and 164 of the CFR and are incorporated herein by reference.

2. Use and Disclosure of Protected Health Information. Business Associate shall use and/or disclose Protected Health Information ('PHI') only to the extent necessary to satisfy Business Associate's obligations under the Contract.

3. Prohibition on Unauthorized Use or Disclosure of PHI. Business Associate shall not use or disclose any PHI received from or on behalf of State of Arizona, except as permitted or required by the Contract, as required by law or as otherwise authorized in writing by State of Arizona.

Business Associate shall comply with the applicable provisions of:

(a) Title 45, Part 164 of the CFR;

(b) State laws, rules and regulations applicable to PHI not preempted pursuant to Title 45, Part 160, Subpart B of the CFR or the Employee Retirement Income Security Act of 1974 ('ERISA') as amended; and

(c) State of Arizona's health information privacy and security policies and procedures.

4. Business Associate's Operations. Business Associate may use PHI it creates or receives for or from State of Arizona only to the extent necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities. Business Associate

may disclose such PHI as necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities only if:

- (a) The disclosure is required by law; or
- (b) Business Associate obtains reasonable assurances from any person or organization to which Business Associate shall disclose such PHI that such person or organization shall:
 - (i) Hold such PHI in confidence and use or further disclose it only for the purpose for which Business Associate disclosed it to the person or organization or as required by law; and
 - (ii) Notify Business Associate (who shall in turn promptly notify State of Arizona) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.

5. Data Aggregation Services. Business Associate may use PHI to provide Data Aggregation Services related to State of Arizona's Health Care Operations.

6. PHI Safeguards. Business Associate shall develop, implement, maintain and use appropriate safeguards to prevent the improper use or disclosure of any PHI received from or on behalf of State of Arizona.

7. Electronic Health Information Security and Integrity. On or before April 20, 2005, Business Associate shall develop, implement, maintain and use appropriate administrative, technical and physical security measures in compliance with Section 1173(d) of the Social Security Act, Title 42, Section 1320d-2(d) of the United States Code and Title 45, Part 164.314 (a) (2) of the CFR to preserve the integrity and confidentiality of all electronically maintained or transmitted Health Information received from or on behalf of State of Arizona pertaining to an individual. Business Associate shall document and keep these security measures current.

8. Protection of Exchanged Information in Electronic Transactions. If Business Associate conducts any Standard Transaction for or on behalf of State of Arizona, Business Associate shall comply, and shall require any subcontractor or agent conducting such Standard Transaction to comply, with each applicable requirement of Title 45, Part 162 of the CFR.

9. Subcontractors and Agents. Business Associate shall require each of its subcontractors or agents to whom Business Associate may provide PHI received from, or created or received by Business Associate on behalf of State of Arizona to agree to at least the same obligations to protect such PHI as are imposed on Business Associate by the Contract.

10. Access to PHI. Business Associate shall provide access, at the request of State of Arizona, to PHI in a Designated Record Set, to State of Arizona or, as directed by State of Arizona, to an individual to meet the requirements under Title 45, Part 164, Subpart E, Section 164.524 of the CFR and applicable state law. Business Associate shall provide access in a reasonable time and manner consistent with the time and manner set forth in State of Arizona's health information privacy and security policies and procedures.

11. Amending PHI. Business Associate shall make any amendment(s) to PHI in a Designated Record Set that State of Arizona directs or agrees to pursuant to Title 45, Part 164, Subpart E, Section 164.526 of the CFR at the request of State of Arizona or an Individual, and in a reasonable time and manner consistent with the time and manner set forth in State of Arizona's health information privacy and security policies and procedures.

12. Accounting of Disclosures of PHI.

(a) Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for State of Arizona to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with Title 45, Part 164, Subpart E, Section 164.528 of the CFR.

(b) Business Associate agrees to provide State of Arizona or an individual, in a reasonable time and manner consistent with the time and manner set forth in State of Arizona's health information privacy and security policies and procedures, information collected in accordance with Section 11(a) above, to permit State of Arizona to respond to a request by an individual for an accounting of disclosures of PHI in accordance with Title 45, Part 164, Subpart E, Section 164.528 of the CFR.

13. Access to Books and Records. Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI received from or on behalf of State of Arizona available to DHHS or its designee for the purpose of DHHS determining State of Arizona's compliance with the Privacy Rule.

14. Reporting. Business Associate shall report to State of Arizona any use or disclosure of PHI not authorized by the Contract, by law, or in writing by State of Arizona of which it becomes aware. Business Associate shall make the report to State of Arizona's Privacy Official within five (5) business days after Business Associate learns of such unauthorized use or disclosure.

Business Associate's report shall at least:

- (a) identify the nature of the unauthorized use or disclosure;
- (b) identify the PHI used or disclosed;
- (c) identify who made the unauthorized use or received the unauthorized disclosure;
- (d) identify what Business Associate has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure;
- (e) identify what corrective action Business Associate has taken or shall take to prevent future similar unauthorized use or disclosure; and
- (f) provide such other information as reasonably requested by State of Arizona's Privacy Official.

15. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of the Contract.

16. Termination for Cause. Upon State of Arizona's knowledge of a material breach by Business Associate of the terms of this Addendum, State of Arizona shall:

- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate if Business Associate does not cure the breach or end the violation within the time specified by State of Arizona.
- (b) Immediately terminate the Contract if Business Associate has breached a material term of the Contract and cure is not possible.
- (c) If neither termination nor cure is feasible, State of Arizona shall report the violation to DHHS.

17. Return or Destruction of Health Information.

(a) Except as provided in Section 17(b) below, upon termination, cancellation, expiration or other conclusion of the Contract, Business Associate shall return to State of Arizona or destroy all PHI received from State of Arizona, or created or received by Business Associate on behalf of State of Arizona. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Except as provided in Section 17 (b) below, Business Associate shall retain no copies of the PHI.

(b) In the event that Business Associate reasonably determines that returning or destroying the PHI is not feasible, Business Associate shall extend the protections of the Contract to such PHI and limit further uses and disclosure of PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.

18. Obligation of State of Arizona.

(a) State of Arizona shall provide Business Associate with the notice of privacy practices that State of Arizona produces in accordance with Title 45, Part 164, Subpart E, Section 164.520, as well as any changes to that notice.

(b) State of Arizona shall provide Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose PHI if such changes affect Business Associate's permitted or required uses and disclosures.

(c) State of Arizona shall notify Business Associate, in writing, of any restriction to the use of disclosure of PHI that State of Arizona has agreed to in accordance with Title 45, Part 164, Subpart E, Section 164.522.

(d) State of Arizona acknowledges that it shall provide to, or request from, Business Associate only the minimum PHI necessary for Business Associate to perform or fulfill a specific function required or permitted hereunder.

(e) State of Arizona shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by State of Arizona.

19. Automatic Amendment. Upon the effective date of any amendment to the regulations promulgated by HHS with respect to PHI, the Contract shall automatically amend such that the obligations imposed on Business Associate as a Business Associate remain in compliance with such regulations.

Inclusive Offerors

Offeror(s) are encouraged to make every effort to utilize subcontractors that are small, women-owned and/or minority owned business enterprises. This could include subcontracts for percentage of (YOUR EXAMPLE HERE) (Lottery Advertising included creative development, media placement or printing services). Offerors who are committing a portion of their work to such subcontractors shall do so by identifying the type of service and work to be performed by providing detail concerning your organization's utilization of small, women-owned and/or minority business enterprises. Emphasis should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort will be administered and managed, including reporting requirements.

Independent Contractor

The Contractor shall represent himself as an independent contractor and shall not represent himself as an employee of the State. The contractor shall be responsible for all taxes, FICA, employee fringe benefits, workers compensation, and employee insurances,

Ink Color

This contract covers the use of black ink only.

Inside Delivery

Inside delivery charges shall be in accordance with the attached delivery schedule.

Installation

Installation shall include all electrical hook-up, testing procedures and operator training.

Insurance

A. Without limiting any liabilities or any other obligation of the Contractor, the Contractor shall purchase and maintain, in a company or companies lawfully authorized to do business in the State of Arizona, and rated at least A VII in the current A.M. Best's, the minimum insurance coverage below:

1. Commercial General Liability, with minimum limits of \$ XXXX per occurrence, and an unimpaired products and completed operations aggregate limit and general aggregate minimum limit of \$ XXXXX. Coverage shall be at least as broad as the Insurance Service Office, Inc. Form CG00010196, issued on an Occurrence basis, and endorsed to add the State of Arizona as an Additional Insured with reference to this contract. The policy shall include coverage for:

Bodily Injury;

Broad Form Property Damage (including completed operations);

Personal Injury;

Blanket Contractual Liability;

Products and Completed Operations, and this coverage shall extend for one year past acceptance, cancellation or termination of the services or work defined in this contract;

Fire Legal Liability.

2. Business Automobile Liability, with minimum limits of \$ XXXXX per occurrence combined single limit, with Insurance Service Office, Inc. Declarations to include Symbol One (Any Auto) applicable to claims arising from bodily injury, death or property damage arising out of the ownership, maintenance or use of any auto. The policy shall be endorsed to add the State of Arizona as an Additional Insured with reference to this contract.

3. Worker's Compensation (Coverage A): Statutory Arizona benefits;

Employer's Liability (Coverage B): \$ XXXXX each accident \$ XXXXX each employee, \$ XXXXXX policy limit/disease.

Policy Shall Include endorsement for All State coverage for state of hire.

4. Professional Liability Insurance with minimum limits of \$ XXXXX Each Claim (or Each Wrongful Act) with a Retroactive Liability Date (if applicable to Claims-Made coverage) the same as the effective date of this contract. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work or Specifications of this contract and, at the discretion of the State of Arizona, shall include one of the following types of Professional Liability policies:

Directors and Officers;
Errors and Omissions;
Medical Malpractice;
Druggists Professional;
Architects/Engineers Professional;
Lawyers Professional;
Teachers Professional;
Accountants Professional;
Social Workers Professional.

A. The State of Arizona shall be named as an Additional Insured as its interests may appear.

B. The policy shall contain an Extended Claim Reporting Provision of not less than one year following termination of the policy.

C. The State of Arizona reserves the right to request and receive certified copies of all policies and endorsements within ten calendar days of contract signature.

D. Certificates of Insurance acceptable to the State of Arizona shall be issued and delivered prior to the commencement of the work defined in this contract, and shall identify this contract and include certified copies of endorsements naming the State of Arizona as Additional Insured for liability coverages. The certificates, insurance policies and endorsements required by this paragraph shall contain a provision that coverages afforded will not be canceled until at least 60 days prior written notice has been given to the State of Arizona. All coverages, conditions, limits and endorsements shall remain in full force and effect as required in this contract.

E. Failure on the part of the Contractor to meet these requirements shall constitute a material breach of contract, upon which the State of Arizona may immediately terminate this agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by the State of Arizona shall be repaid by the Contractor upon demand, or the State of Arizona may offset the cost of the premiums against any monies due to the contractor. Costs for coverages broader than those required or for limits in excess of those required shall not be charged to the State of Arizona. Contractor and its insurer(s) providing the required coverages shall waive their rights of recovery against the State of Arizona, its Departments, Employees and Officers, Agencies, Boards and Commissions.

F. The policies required by the Commercial General and Business Automobile Liability Sections shall be endorsed to include the State of ARizona as additional insured and shall require that the insurance provided by the contractor shall be primary insurance and that any insurance carried by the State of Arizona shall be excess and not contributory insurance provided by the contractor.

G. In the case any work is subcontracted, the contractor will require all subcontractors to provide comparable insurance.

H. If the contractor is the State of Arizona, its departments, agencies, boards, and commissions, then the above shall not apply.

Insurance - Standard Service Contract

INDEMNIFICATION CLAUSE:

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments,

agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as 'Indemnatee') from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as 'Claims') for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

INSURANCE REQUIREMENTS:

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

COMMERCIAL GENERAL LIABILITY OCCURRENCE FORM

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

Each Occurrence \$1,000,000

General Aggregate \$2,000,000

Products Completed Operations Aggregate \$2,000,000

Personal and Advertising Injury \$1,000,000

Blanket Contractual Liability Written and Oral \$1,000,000

Fire Legal Liability \$50,000

The policy shall be endorsed to include the following additional insured language: 'The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.'

Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

AUTOMOBILE LIABILITY

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the

performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

The policy shall be endorsed to include the following additional insured language: 'The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.'

WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY

Workers' Compensation Statutory Employers' Liability

Each Accident \$1,000,000

Disease Each Employee \$1,000,000

Disease Policy Limit \$1,000,000

Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

UMBRELLA/EXCESS LIABILITY in the minimum amount of \$10,000,000 excess of Commercial General Liability, Automobile Liability and Employers' Liability.

The policy shall be endorsed to include the following additional insured language: 'The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.'

Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS LIABILITY)

Each Claim Minimum Limit \$5,000,000

Annual Aggregate Minimum Limit \$5,000,000

In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

FIDELITY BOND OR CRIME INSURANCE in the minimum amount of \$2,000,000.

The bond or policy shall include coverage for third party fidelity.

The bond or policy shall include coverage for theft and mysterious disappearance.

The bond or policy shall contain no requirement for arrest and conviction.

The bond or policy shall cover loss outside the premises of the Named Insured.

PROPERTY COVERAGE to insure property under the care custody and control of the Contractor or it's this contract for full replacement value on an all risk basis.

BUILDERS RISK to insure all equipment and installations under this contract.

ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (60) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to (State of Arizona Department Representative's Name & Address) and shall be sent by certified mail, return receipt requested.

ACCEPTABILITY OF INSURERS: Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an 'A.M. Best' rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to (State of Arizona Department Representative's Name and Address). The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

APPROVAL: Any modification or variation from the insurance requirements in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

Insurance - Task Order

Under any resultant contract, a valid Certification of Insurance shall be provided to each agency, department, board, commission, or eligible political subdivision with evidence of current insurance

coverage, in accordance with the types and levels required under the contract. The requesting agency may request a copy of a valid Certificate of Insurance prior to commencement of work.

Inventory

The State of Arizona has an ongoing requirement for the material indicated in this solicitation. It is an express condition of any award that a contractor shall maintain a reasonable stock on hand for delivery to the requesting agency. Failure to maintain such a stock may result in contract cancellation.

IT Architecture and Standards

The Government Information Technology Agency (GITA) of the State of Arizona is responsible by law for coordination of a statewide plan for information technology (IT) and development of IT policies, standards and procedures for state agencies. To support IT plan development and to facilitate continuous change toward standardized business processes and common, interoperable IT environments, the State developed an Enterprise Architecture (EA). Political subdivisions may follow some or all of the architecture or the standards, at their discretion. The EA and the standards can be accessed through GITA's web page at <http://www.gita.state.az.us/>.

Technical standards developed under this program shall be followed by the contractor in all decisions and recommendations. The Enterprise Architecture and IT standards developed under GITA's policies, standards and procedures program (PSP) are updated periodically to reflect changes in technology and the needs of the State. Contractor must remain current on its knowledge of the EA and IT standards. The contractor is encouraged to recommend updates to these standards from time to time.

Item Grouping Activity

Due to factors such as delivery location, pricing advantage, compatibility, etc., selected items within this solicitation have been grouped together for purposes of obtaining these items collectively from a single source. Such groups of items shall be identified within the solicitation and the price sheet shall provide for a subtotal price for the group. To be considered for award of this group of products, the bidder is required to provide prices on all items within this group and a subtotal price for the group. Failure to provide pricing for any item within the group, or failure to provide the group subtotal price may result in the bidder being declared non-responsive for the group, and ineligible to receive an award.

Key Personnel

It is essential that the contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The contractor must assign specific individuals to the key positions. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of the issuing agency and a copy to the procurement office of record.

Licenses

Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of a business conducted by the contractor.

Liquidated Damages (as Stated)

Liquidated damages shall be in the amount of \$ _____ for each calendar day of delay.

A. If the contract is not terminated, the contractor shall continue performance and be liable to the state for the liquidated damages until the products are delivered or the services performed.

B. In the event the state exercises its right of termination, the contractor shall be liable to the state for any excess costs, and in addition, for liquidated damages until such time the state may reasonably obtain delivery or performance of similar supplies or services.

Local Warehouse Facility

Supplier certifies that they have local facilities with an adequate inventory to meet the stated delivery since no warehouse facility exists in the state. The State Procurement Office may inspect the offerors facility to determine adequacy.

Lost Products

1. In the event that a product or groups of products are no longer available to the contractor by a manufacturer, the State may allow deletion of such products from the contract. The request may be submitted at any time during the contract period and shall be supplemented with the following information. Failure to supply any of the following information with the request shall result in the State not considering the request.

1.1. A formal announcement from the manufacturer stating the reason that the products are no longer available to the contractor. These should include but may not be limited to:

1.1.1. Contract agreement termination (agreements between the contractor and the manufacturer).

1.1.2. Product discontinuance, those having no named replacements by the manufacturer.

2. Approval shall be in the form of a contract amendment and shall become effective on the date specified in the amendment. Upon approval by the State, the contractor shall make available all electronic and hard catalog/price list updates to all eligible agencies at no additional cost to the State.

Maintenance Manuals

Maintenance manuals covering manufacturer's recommended procedures shall be provided with delivery.

Maintenance (Local)

In order to assure that any ensuing contracts will provide the necessary maintenance support required for the equipment specified, each potential contractor must have local maintenance facilities or have specific agreements in force with a third party to provide local maintenance. Each maintenance facility must be staffed by trained technicians and have sufficient parts inventory in order to provide quality service on the equipment specified. The State Procurement Office may inspect the maintenance facilities to determine adequacy.

Manufacturer's Representative

Dealers who submit an offer as a manufacturer's representative must supplement the offer with a letter from each manufacturer involved certifying that the vendor is a bona fide dealer for the specific equipment presented, that the vendor is authorized to submit an offer on such equipment, and guarantees that should the dealer fail to satisfactorily fulfill any obligations established as a result of the anticipated contract awards. The manufacturer, upon assignment by the state, will either assume and discharge such obligations or provide for their competent assumption by one or more bona fide dealers for the balance of the contract period.

Maximum Order Limitation

The maximum single order to be purchased under this contract shall be \$ ****.00

Minimum Order

The minimum dollar value of orders to be issued under this contract is \$ ****.00. For orders less than the minimum, the charge shall be the contract price plus the actual prepaid freight charge, or in accordance of the attached schedule.

Minimum Order/Pick-up

Minimum pick up size shall be 100 hundred gallons of products at any one location. This minimum may be waived by mutual agreement between the contractor and the eligible using agency.

Multiple Eligible Agencies

Any resultant contract shall be for use by the agencies identified as primary users in the solicitation and by other State agencies identified throughout the contract term. Following contract award, participation by a State agency not originally identified shall be based upon approval of the contractor.

New Equipment

All equipment, materials, parts and other components incorporated in the work or an item covered by this contract shall be new, of the latest model and of the most suitable grade for the purpose intended. Any and all work under this contract shall be performed in a skilled and workmanlike manner.

New Products

1. The State, at its sole discretion may allow new products announced by manufactures represented on the contract to be incorporated. The request may be submitted at any time during the contract period and shall be supplemented with the following information. Failure to supply any of the following information with the request shall result in the State not considering the request.

1.1. A formal announcement from the manufacturer stating that the product(s) are new and were not available at the time of contract award.

1.2. Documentation from the manufacturer that cites the effected products by item number and description.

1.3. Documentation that provides clear evidence that the new products are those that are within an established contract group. NO OTHER PRODUCTS SHALL BE ALLOWED.

1.4. That states prices at which sales are currently or were last made to a significant number of any category of buyers or buyers constituting the general buying public for the materials or services involved and that will be sold at the existing discount (percents %) form list price as existing products.

2. Approval shall be in the form of a contract amendment and shall become effective on the date specified in the amendment. Upon approval by the State, the contractor shall make available all electronic and hard catalog/price list updates to all eligible agencies at no additional cost to the State.

Non-Exclusive Contract

This contract has been awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary. Off-contract purchase authorization(s) may be approved by either the agency (within an agencies delegated authority) or by the State Procurement Office. Approvals shall be at the exclusive discretion of the State and shall be final. Off-contract procurement shall be consistent with the Arizona Procurement Code.

Offshore Performance of Work Prohibited

Due to security and identity protection concerns, all services under this contract shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by subcontractors at all tiers.

Options

A request for the addition of options to particular machines may be submitted at any time during the contract period. The state, at its own discretion, may accept a request for the addition of options. The contractor shall submit, in writing, a request for the addition of options and provide the following:

1. Documentation showing that the option was: 1) Not available for the contract machine at the original time of bid and has not been available for more than 30 days prior to the request, or; 2) The option is made available due to a model substitution.
2. The option is priced at a similar discount to the original options at the original time of bid. Manufacturer's price lists and vendor pricing data shall be submitted as documentation.
3. The option is an enhancement to the machine that will be beneficial to the state and does not significantly hinder the original performance of the machine, as determined by the state.
4. The option does not change the original requirements of the category for which the machine was awarded, as determined by the state.

All additions of options shall become effective upon approval of the state.

Order Quantities (Case Lots Only)

Orders are to be made in case lots only.

Ordering Process

1. For the purposes of this contract, contract release order/purchase orders are those that are issued by an eligible agency any of the following forms:

- 1.1. Hard copy, one time only or blanket (term type) type;
 - 1.2. Electronically transmitted through facsimile equipment;
 - 1.3. Electronically transmitted as an e-mail attachment;
 - 1.4. Electronically transmitted through a contractor's Electronic Data Interchange (EDI) system or secured internet/web portal, i.e. those that provide electronic commerce assistance for the electronic submission of purchase orders, purchase order tracking and reporting.
 - 1.4.1. Such systems shall not allow for purchase orders to be placed for non-contract or excluded items.
 - 1.4.2. Use of such systems shall be at the sole discretion of the eligible agency and all cost associated with set-up, maintenance and support shall be borne by the contractor.
 - 1.5. Electronically through State's or eligible agencies p-card program.
2. This contract was awarded in accordance with the Arizona Procurement Code and all transactions and procedures required by the code for competitive source selection have been met. A contract release order/purchase order, initiated in accordance with the requirements contained herein, that cites the correct Arizona contract number is the only document required for the agency to order and the contractor to deliver the material and /or service.
3. Any attempt to represent any material and/or service not specifically awarded, as being under contract with the State of Arizona is a violation of the contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the state inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the

contractor.
and/or debarment of the contractor.

Other Contracts

The agency may undertake or award other contracts for additional or related work and the contractor shall fully cooperate with such other contractors and state employees and carefully fit his own work to such additional work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by state employees. The agency shall equitably enforce this section as to all contractors. To prevent the imposition of unreasonable burdens on any contractor.

Over Runs/Under Runs

Over runs or under runs are acceptable under the Terms and Conditions of this contract.

Ownership

All deliverables and/or other products of the contract (including but not limited to all software documentation, reports, records, summaries and other matter and materials prepared or developed by the contractor in performance of the contract) shall be the sole, absolute and exclusive property of the State of Arizona, free from any claim or retention of right on the part of the contractor, its agents, sub-contractors, officers or employees.

Packaging

All items must be delivered in the manufacturer's standard package.

Packaging (Recovered Materials)

Contractors are encouraged to offer products packaged in containers using recovered materials suitable for the intended use. 'Recovered Materials' is defined as post-consumer waste (any products generated by a business or consumer which have served their intended end use, and which have been separated or diverted from solid waste for the purpose of collection, recycling and disposition).

Packing Slip

Each shipment shall include a packing slip showing the contract number and the quantity shipped expressed in both pounds and gallons.

Paper Grades

Similar grades and sizes of cut stock may be ordered in assorted quantities to obtain the most favorable price offered for the total volume ordered.

Payment

The contractor shall submit to the issuing agency, after completion of the task or combination of tasks listed by the issuing agency. Each task order, a statement of charges for the work completed under that task order, in conformance with the pricing schedule of this contract, the issuing agency shall process the claim for prompt payment in accordance with the standard operating procedures of the state.

Payment Bond

The contractor shall be required to furnish a non-revocable security for the protection of all persons supplying labor and material to the contractor or any subcontractor for the performance of any work related to the contract. Payment security shall be in the amount of 100% of the total contract price and payable to the State of Arizona.

Payment (NOS)

The contractor shall pay the balance of the bid price within ten (10) days after notification of award. If, in the event, the contractor fails to satisfactorily fulfill this obligation, the bid guarantee shall be forfeited and the equipment retained as state property.

Performance Bond

The contractor shall be required to furnish an irrevocable security in the amount of \$**** of the total contract price payable to the State of Arizona, binding the contractor to provide faithful performance of the contract.

Performance security shall be in the form of a performance bond, certified check or cashier's check. This security must be in the possession of the state within ten (10) calendar days from receipt of notice of award. If the contractor fails to execute the security document, as required, the contractor may be found in default and contract terminated by the state. In case of default, the state reserves all rights to recover as provided by law.

All performance bonds must be executed on forms substantially equivalent to SPO form 302 included with this solicitation.

Performance Criteria

Products delivered under this contract shall strictly conform with the approved samples and shall comply with the parameters established in relation to the performance criteria.

Pickup Schedules

1. Pickup may be made on a will call basis or on a routine schedule.

1.1. All will call pick up services shall be made within 21 working days of receipt of notification.

1.2. Routine schedules shall be those that are mutually agreed upon by the contractor and the using agency. Once established, schedules shall appear on the using agencies contract release order/purchase order.

Post Award Meetings

Upon award, any or all contractors should avail themselves to participating in post award meetings with state and political subdivision users and buyers.

Meetings may be held either as many as two (2) times in metropolitan ('metro') Phoenix during each contract year or once within metro Phoenix and once in another user city within the state each contract year.

The meetings may include a pre-conference with state personnel to discuss mutual contractual responsibilities and other performance related items.

Price Adjustment

1. Discount (percents %) From List Price: Discount (percents %) from list price shall remain the same for the contract term. The State Procurement Office may review a fully documented request for a price increase only (change in discount) only on the anniversary or renewal date of the contract. The requested increases shall be based upon a cost increase to the contractor that was clearly unpredictable at the time of the offer and is directly correlated the price of the product/service contractually covered.

1.1. The request shall be submitted from 90 to 120 days prior to the anniversary or contract renewal date of the contract and shall be a factor in the extension review process.

1.2. Failure to submit the request within the stated timeframe and/or failure to supply adequate information with the request may result in the state not considering the request.

2. The State, at its sole option shall determine whether the requested price adjustment or an alternate option is in the best interest of the State. Approval shall be in the form of a contract amendment, and shall become effective on the date specified in the amendment. Upon approval

by the State, the contractor shall make available all electronic and hard copy catalog/price list updates to all eligible using agencies at no additional cost to the State.

Price Adjustment (Annual)

The State Procurement Office may review a fully documented request for a price increase only after the contract has been in effect for one (1) year. A price increase adjustment shall only be considered at the time of a contract extension and shall be a factor in the extension review process. The State Procurement Office shall determine whether the requested price increase or an alternate option is in the best interest of the State.

The contractor shall offer the State a price reduction on the contract product(s) concurrent with a published price reduction made by the manufacturer to other customers.

The price increase adjustment, if approved, will be effective upon the effective date of the contract extension. Price reductions will become effective upon acceptance by the State.

Price Increase

The State Procurement Office may review a fully documented request for a price increase only after the contract has been in effect for **** days. The requested increase shall be based upon a cost increase to the contractor that was clearly unpredictable at the time of the offer and is directly correlated to the price of the product concerned. The State Procurement Office shall determine whether the requested price increase or an alternate option, is in the best interest of the state.

Written request by the contractor is required thirty (30) days in advance of any desired price change. Following approval by the State Procurement Office, the request shall provide the following:

1. A formal announcement from the manufacturer that the cost of the contract product has been increased.
2. Documentation, i.e., published cost lists, from the manufacturer showing, to the satisfaction of the state, the actual cost increase.

Price Increase (After One Year)

The State Procurement Office may review a fully documented request for a price increase only after the contract has been in effect for one (1) year. A price increase adjustment shall only be considered at the time of a contract extension and shall be a factor in the extension review process. The State Procurement Office shall determine whether the requested price increase or an alternate option is in the best interest of the state.

The price increase adjustment, if approved, will be effective upon the effective date of the contract extension.

Price Reductions

Price reductions may be submitted to the state for consideration at any time during the contract period. The contractor shall offer the state a price reduction on the contract product(s) concurrent with a published price reduction made to other customers. The state at its own discretion may accept a price reduction. The contractor shall request, in writing, a price reduction. The contractor shall request, in writing, a price reduction and provide the following:

1. A formal announcement from the manufacturer that the cost of the contract product has been reduced.
2. Documentation, i.e., published cost lists, from the manufacturer showing, to the satisfaction of the state, the actual cost reduction.

3. Documentation showing that the published cost reductions have been offered to other distributors.

Price Reductions (Temporary)

Price reductions may be submitted to the state for consideration at any time during the contract period. The state at its own discretion may accept a price reduction.

Pricing

Bid and contract pricing shall be in an all inclusive monthly rate.

Printing Over-Runs/Under-Runs

Over-runs or under-runs are not acceptable under the Terms and Conditions of this contract.

Product Discontinuance

1. In the event that a product or groups of products are discontinued by a manufacturer, the State at its sole discretion may allow the contractor to provide substitutes for the discontinued product(s) or allow the deletion of such products from the contract. The request may be submitted at any time during the contract period and shall be supplemented with the following information. Failure to supply any of the following information with the request may result in the state not considering the request.

1.1. A formal announcement from the manufacturer stating that the product(s) have been discontinued.

1.2. Documentation from the manufacturer that cites the effected products by item number and description.

1.3. Documentation from the manufacturer that names the replacement product(s).

1.4. Documentation that provides clear evidence that the replacement product(s) meets or exceeds the specifications of the discontinued product(s) while remaining in the same product group(s) as the discontinued item, and;

1.5. Documentation confirming that the price for the replacement product(s) is the same as or less than the discontinued item.

2. Approval shall be in the form of a contract amendment and shall become effective on the date specified in the amendment. Upon approval by the state, the contractor shall make available all electronic and hard catalog/price list updates to all eligible at no additional cost to the State.

Property Removal (NOS)

The material shall not be removed until such time as the full payment has been received and a release in writing has been issued by the Department of Administration Surplus Property Office. Property shall be remove within 30 days after notice of award. A charge of \$50.00 per day for storage will be assessed for each day after the thirtieth (30th) day. If material is not removed within 45 days after receipt of notice of award, the property will be considered abandoned and disposed of at the discretion of the state.

Protection of Facilities and Grounds

The contractor shall provide the services contained herein in such a manner that does not result in damage to State and eligible using agency facilities, grounds, landscaping, utilities, or structures. In the event that damage does occur during the performance of this contract, the contractor shall repair or replace the damage at no cost to the State or eligible using agency as specified.

Should the contractor fail or refuse to make proper repairs or replacements, the contractor shall be liable for the cost thereof which may be deducted from unpaid invoices or by any other means provided by law. Any and all equipment (containers) supplied by the contractor(s) for use by an eligible using agency shall remain the property of the contractor.

The State shall be under no obligation to the contractor in regards to any restoration or rehabilitation of the contractor's premise or property during the contract term or after the final contract expiration date.

Quantities (Considerable and Indefinite)

The quantities of supplies and services available under the contract are considerable but indefinite.

Rate Increase

The contractor shall submit a request for a rate increase a minimum of 45 days prior to the contract renewal date. The request shall be in writing and include supportive justification for the proposed increase. The rate increase shall only be considered at time of contract extension. The State will review the request and shall determine if the increase shall be granted or if an alternate option is in the best interests of the State. The rate increase adjustment, if approved, will be effective and executed via a contract amendment.

A rate increase, can not exceed the maximum percentage allowed under the contract. Any approved rate increase shall be applied to the specific rate(s) in effect prior to the contract extension period.

Recycled Paper

In accordance with state legislation, recycled paper shall contain at least 40% recovered wastepaper with 10% of that being post consumer material.

Regulatory Authority (Pesticides)

The sale and agricultural use of pesticide in the State of Arizona is regulated by the Arizona Department of Agriculture, Environmental Services division. All sellers of pesticides over specified quantities must have a permit to sell pesticides in the State of Arizona. Concerning this regulatory authority, you may contact the Department of Agriculture at 1688 W Adams, Phoenix, AZ 602-542-3578. Contract will be contingent upon compliance with regulatory requirements. Proof of compliance may be required within 30 days of award.

The U.S. Environmental Protection Agency regulates pesticides and its use under FIFRA as amended. The SPCC regulates the use of structural & other pesticide uses.

Contractor(s) and user agencies must comply with the State and Federal Regulations.

A State Pesticide Coordinator will have a copy of this bid and a copy of the resultant contract(s).

Response Time

On-site response time by the awarded contractor shall be within 16 hours of notification by the using agency. Contractors facilities must be open for business and available to provide the services contained herein during the normal business hours of 8:00 AM till 5:00 PM Monday through Friday (excluding State holidays).

Return Policy

For reasons other than Fault or Error of the Contractor:

In the event ordered and delivered items are returned to the supplier due solely to a management decision by the ordering agency and not due to any fault or error by the supplier, the supplier shall be entitled to payment for restocking at _____ of the invoiced cost of the returned items plus the cost of transportation from the supplier to the ordering agency. The transportation charges

shall not exceed the least expensive rate by common carrier for the category and weight of the items returned. In addition, the freight cost for the return of the items plus any cost necessary to insure receipt of the returned items by the supplier shall be paid by the ordering agency. Items returned under this provision must be shipped back to the supplier by the ordering agency not later than 30 calendar days after initial receipt of the items from the supplier and must be returned unused in the original packaging including any instruction manuals or other material accompanying the initial shipment

Revised or Replacement Catalog/Price lists

1. The State may review a fully documented request to incorporate a revised or replacement catalog/price list (i.e. manufacturer's price list) only on the anniversary or renewal date of the contract. The request shall be submitted from 90 to 120 days prior to the anniversary or contract renewal date and shall be supplemented with the following information. Failure to submit the request within the stated timeframe and/or failure to supply any of the following information with the request may result in the state not considering the request.

1.1. A declaration that affirms that the proposed catalog/price lists (i.e. manufacturer's price list) is one that:

1.1.1. Is a replacement or revision to the original, containing the same item groups as originally awarded.

1.1.2. Is regularly maintained by a manufacturer, distributor or contractor.

1.1.3. Is either published or otherwise available for inspection by customers.

1.1.4. Is one that states prices at which sales are currently or were last made to a significant number of any category of buyers or buyers constituting the general buying public for the materials or services involved.

1.2. Pricing information, existing versus proposed, electronic and hardcopy formats that:

1.2.1. Identifies all products, by part number, SKU number, description and manufacturer that will experience increases from existing prices.

1.2.2. Displays a side by side comparison of pricing, existing vs. proposed increases.

1.2.3. Details the factors that were clearly unpredictable at the time of the original bid and that have a direct affect on the proposed increase. Newly published or revised catalog/price lists submitted without supplemental information may not be considered.

1.2.4. Identifies all products, by part number, SKU number, description and manufacturer that will experience decreases from existing prices.

1.2.5. Displays a side by side comparison of pricing, existing vs. proposed decreases.

1.2.5.1. The contractor shall also obligated to pursue price decreases in accordance with the price decrease provision contained herein.

1.3. Product Information (Deletions/Additions) existing versus proposed, electronic and hardcopy formats that:

1.3.1. Identifies all discontinued products, by part number, SKU number, description and manufacturer that are either no longer being manufacturer or are no longer available to the contractor.

1.3.2. Identifies all proposed product additions, by part number, SKU number, description and manufacturer

1.3.2.1. When pursuing product deletions or additions the contractor shall also supplement the request as required under product discontinuance new product provisions contained herein.

1.4. The State reserves the right to approve and entire catalog/price list (i.e. manufacturer's price list), portions thereof or to exercise an alternate option, whichever is deemed in the best interest of the state.

2. Approval shall be in the form of a contract amendment, and shall become effective on the date specified in the amendment. Upon approval by the State, the contractor shall make available all electronic and hard copy catalog/price list updates to all eligible agencies at no additional cost to the State.

Safety Standards

All items supplied on this contract must comply with the current applicable occupational safety and health standards of the State of Arizona Industrial Commission, The National Electric Code, and The National Fire Protection Association Standards.

Sales Promotions

1. In addition to decreasing contract pricing in accordance with the provision entitled price reductions, the contractor may conduct sales promotions involving specific products or groups of products specified herein for specified time periods. If electing to exercise this provision the contractor shall submit:

1.1. A formal request that identifies the affected contract product or product groups;

1.2. The promotional price vs. the existing contract price.

1.3. The start and end date of the sales promotion;

2. Approval shall be in the form of a contract amendment. Pricing shall be available to all eligible agencies through the dates specified in the request. Upon approval the contractor shall provide conspicuous notice of the promotion.

Security

Contractor's current and subsequent personnel, as well as those of their duly recognized subcontractors, shall comply with all applicable statutes, administrative regulation, policies, practices and procedures while providing supplies and/or services under the contract. Notwithstanding any additional security requirements in the Scope of Work, as deemed necessary by the State, certain personnel with access to sensitive information and/or infrastructure of the State or an Eligible Agency, shall be subject to background checks.

Serial Numbers

The contract is for equipment on which the original manufacturers' serial number has not been altered in any way. Throughout the contract term, the state reserves the right to reject any altered equipment.

Service Levels

The State requires the Contractor to guarantee initial service levels and guarantee that, over the term of the contract, service levels will improve commensurate with the improvement in the industry as a whole because of the implementation of efficiency enhancing hardware and software technology or operations management processes.

Should the Contractor fail to provide all required services or deliver all required service levels, as

agreed upon by State and the Contractor, the State shall be entitled to invoke applicable remedies, including but not limited to, assessing liquidated damages from the Contractor to the State and declaring the Contractor in material breach.

SERVICE LEVELS - MEASUREMENTS

The State requires the Contractor to produce service level reports and measurement data to provide an objective basis for evaluating the Contractor's performance. Service level reports will also be used as a component of shared management that is a joint responsibility of the Contractor and the State as outlined in Section 8.1.4.2, "Retained Management Responsibility and Authority."

The State requires the Contractor to provide all required summary service level reports routinely, on an aggregated and Agency-by-Agency basis as part of its normal management reporting to the State. The State will have the right to receive detailed Contractor service level reports and measurement data from the Contractor upon request. The State will have the right to receive additional Contractor service level data and reports, to the extent the State can define and the Contractor can reasonably provide.

All required measurement data, summary and detail reports and other requested information will be provided in a timely manner by the Contractor at no additional cost to the State.

SERVICE LEVELS ? LIQUIDATED DAMAGES FOR NONPERFORMANCE

In the event that, during any consecutive thirty (30) day period, the Contractor fails to perform any required service, or any defined vendor service level falls one (1) percentage point or more below the target levels established as agreed upon by the Contractor and the State, the Contractor shall pay liquidated damages to the State, to compensate for the service level nonperformance. The amount of the liquidated damages will be determined based upon a formula to be set forth in the final definitive contract and will vary on the basis of the relative importance of the applicable required service or service level, and shall be a reasonable estimate of the damages incurred by the State due to the service level nonperformance.

The State may not consider any proposal from a Contractor that is unwilling to commit to paying liquidated damages to the State, in the event the Contractor fails to reasonably and timely perform the required services or fails to meet the agreed upon service levels.

SERVICE LEVELS ? LIQUIDATED INCENTIVES

During the course of this contract, it is expected that the Contractor will have opportunities to help the State lower its overall telecommunications costs without adverse impact to the service levels. The State desires to align the incentives of the Contractor with those of the State, so that the Contractor is rewarded for identifying and implementing cost-saving initiatives. The State may, at its sole discretion, implement a program of liquidated incentives to pass a portion of the savings on to the Contractor.

Service Limitations

The award contractor shall not be responsible for any equipment failure and/or damage by cause other than normal wear and care, i.e. Inadequate or improper power; improper care or abuse of equipment; unauthorized attempts to repair or modify the equipment; acts of God. Further, painting, refinishing, and supplying materials for the purpose of painting and/or refinishing shall not be the responsibility of the contractor.

Shipping F.O. B. Delivered

Prices shall be F.O.B. destination to the delivery location designated herein. Contractor shall retain title and control of all goods until they are delivered and the contract of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the

contractor. All claims for visible or concealed damage shall be filed by the contractor. The state will notify the contractor promptly of any damaged goods and shall assist the contractor in arranging for inspection.

Shipping F.O.B. Statewide

Prices shall be F.O.B. Destination to any delivery location in the State of Arizona, delivered to the specified receiving point as required by the customer agency at the time of order. Contractor shall retain title and control of all goods until they are delivered, received and contract of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the contractor. All claims for visible and concealed damage shall be filed by the contractor. The State will notify the contractor promptly of any damaged goods and shall assist the contractor in arranging for inspection.

Shipping F.O.B. Destination Phoenix and Tucson

Prices shall be F.O.B. destination to the user agency within the normal trade area (30 mile radius) of Phoenix and Tucson. Shipments to other locations shall be F.O.B. destination freight prepaid - with transportation charges allowed and added as a separate item on the invoice. At no time may the freight charge exceed the amount normally charged for shipment from the nearest trade area specified above. Contractor shall retain title and control of all goods until they are delivered and the contract of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the contractor. All claims for visible or concealed damage shall be filed by the contractor. The state will notify the contractor promptly of any damaged goods and shall assist the contractor in arranging for inspection.

Shipping F.O.B. Point of Origin

Prices shall be FOB point of origin. The state shall assume control when received by the carrier. Contractor shall ship by the best and least costly way with all freight charges the responsibility of the state

Shipping F.O.B. Specific Location

All components purchased by the contractor for use in any resultant contract shall be F.O.B. destination to the specific location contained herein. Contractor shall retain the title and control of all goods until they are delivered and the contract of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the contractor.

Shipping (Printing Materials)

All printing materials or originals shall be shipped to the contractor's facility C.O.D. All materials shipped to the agency shall be shipped prepaid by the successful bidder.

Site Clean Up

Supplier shall be responsible for the removal of all materials, debris and residue resulting from the performance of the service. All work areas shall be maintained in a clean and orderly manner throughout each work day.

Social Responsibility of Offeror

Offerors are encouraged to make every effort to utilize subcontractors that are small, women owned and/or minority owned business enterprises. This could include, for example, subcontracts for creative development, media placement or printing services. Offerors who are offering to commit a portion of their work to such subcontractors shall do so by identifying the type of services and work to be performed by completing the solicitation questionnaire section entitled 'Social Responsibility of Offeror.'

Specific Eligible Agency

Any contract resulting from this solicitation shall be for the exclusive use of the State of Arizona agency designated.

Stand-by Charges

A maximum stand-by charge of \$35.00 per hour shall be allowed for the time following the first one (1) hour of the unloading period. Stand-by charges shall be allowed only if the delay is a direct cause of the State and a State employee has signed the delivery ticket to acknowledge all the stand-by charges. If the charges are not authorized, the contractor shall not receive payment for the additional charges.

It shall be the responsibility of the contractor to determine the type of unloading method to be used for each delivery site.

State Contract Show Availability

As a statewide contractor, the supplier is eligible to participate in an exhibition of products and services for the state agency and eligible political subdivision personnel in a centralized event. The show has been in place since 1984 and regularly attracts over 130 booths and 500 state contract users.

State Property Protection (Moving)

Contractor shall protect his equipment from damage and shall protect state property from damage or loss arising in connection with this contract and shall be liable for any damage, injury or loss caused by his operations or those of his employees. To insure that no harm is done to the building, General Services Division, will oversee the removal.

Taxes

1. Applicable Taxes: The State will pay only the rate and/or amount of taxes identified in the offer and in any resulting contract.

2. Tax Indemnification: Contractor and all subcontractors shall pay all federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the state harmless from any responsibility for taxes, penalties and interest, if applicable, contributions required under federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

3. IRS W9 Form: In order to receive payment under any resulting contract, contractor must have a current I.R.S. W9 Form on file with the State of Arizona, Department of Administration, General Accounting Office.

Telephone Ordering Support

Contractor(s) shall accept collect telephone calls and/or provide and maintain a toll-free number for eligible agency use. Failure to maintain this service may be cause for cancellation of the contract.

Term of Contract (2 Years from Award)

The term of any resultant contract shall commence on the date of award and shall continue for a period of tow (2) years thereafter, unless terminated, canceled or extended as otherwise provided herein.

Term of Contract (2 Years)

The term of any resultant contract shall commence on the first day of the month following the date of award and shall continue for a period of two (2) years thereafter, unless terminated, canceled or extended as otherwise provided herein.

Term of Contract (Monthly)

The term of any resultant contract shall commence on the first day of the month following the date of award and shall continue for a period of _____ months thereafter, unless terminated, canceled or extended as otherwise provided herein.

Term of Contract (One Year)

The term of the contract shall for a 1-year period, unless terminated, canceled, or extended as otherwise provided herein. The contract shall commence the date specified in the contract summary section contained herein and/or as specified in any contract award notifications issued by the State Procurement Office.

Term of Contract (Sole Option)

The term of the contract shall commence upon award and shall remain in effect for a period of one year, unless terminated, canceled or extended as otherwise provided herein. The contractor agrees that the State of Arizona shall have the right, at its sole option, to renew the contract for two (2) additional one-year periods. In the event that the state exercises such right, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal period with the exception of price. The contractor shall agree that price stated in the original contract shall apply unless a percent of increase or decrease is quoted.

Training (General)

The contractor shall provide training to state personnel that will assure proper operation and utilization of the equipment supplied. All manuals necessary for the required training shall be furnished by the contractor with each equipment order.

Training (Primary)

The contractor shall provide the state with primary training for each basic unit of equipment purchased. This required training shall be adequate to the need of the typical equipment operator in order to assure proper operation and utilization of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the contractor.

Transition Period

The contractor shall attend transition meetings with the previous contractor if deemed necessary by the State. The State reserves the right to permit the previous contractor to complete necessary work or tasks currently in progress to aid in the transition process.

Travel

When requested, in writing, from the Using Agency to perform work that requires overnight accommodations, the Using Agency will reimburse the contractor in accordance with the current rates specified in the Rules and Regulations applicable to State employee's travel. The contractor shall itemize all per diem and lodging charges. State rates may be located at www.gao.state.az.us.

Underwriter's Fee

At the time of COP or bond issuance, the Using Agency shall negotiate the fee for services connected with the issuance.

Usage Report

The contractor shall furnish the state a usage report delineating the acquisition activity governed by the contract. The format of the report shall be approved by the state and shall disclose the quantity and the dollar value of each contract item by individual purchasing unit.

The usage report shall be due at the end of each three month period of the contract term.

Warranty (12 Months)

All equipment supplied under this specification shall be fully guaranteed by the contractor for a minimum period of 12 months from the date of acceptance by the state. Any defects of design, workmanship, or materials, that would result in non-compliance with the contract specification, shall be fully corrected by the contractor (including parts and labor) without cost to the state. The written warranty shall be included with the delivered products to the using entity.

Warranty (90 Days)

All equipment supplied under this specification shall be fully guaranteed by the contractor for a minimum period of 90 days from the date of acceptance by the state. Any defects of design, workmanship, or materials, that would result in non-compliance with the contract specification, shall be fully corrected by the contractor (including parts and labor) without cost to the state. The written warranty shall be included with the delivered products to the using entity.

Warranty (Lifetime Guarantee)

All items must have a lifetime warranty from defects in workmanship and materials which inhibit normal use. A complete warranty statement shall be submitted with the offer.

Warranty (Period of Time)

All equipment supplied under this specification shall be fully guaranteed by the contractor for a minimum period of ***** from the date of acceptance by the State. Any defects of design, workmanship, or materials, that would result in non-compliance with the contract specification, shall be fully corrected by the contractor (including parts and labor) without cost to the State.

Warranty (Vehicles)

All equipment supplied under these specifications shall be fully guaranteed against mechanical and electrical defects for a period of 12 months from the date of acceptance or component manufacturer's warranty, whichever is greater. This guarantee shall cover such items as actual repair labor, parts, and shipping charges to and from the nearest service facility or other designated repair depot. Any defects of design, workmanship or material, shall be fully corrected by the vendor without cost to the state. The equipment shall be warranted to meet, at the time of installation, all requirements of this specification of normal conditions or installation and adjustment. The written warranty shall be included with the delivered products to the using entity.

Will Call/Ordering Support

The contractor(s) shall provide and maintain applicable toll-free telephone numbers and facsimile numbers for eligible agency use. Failure to maintain this service may be cause for cancellation of the contract.

Workmanship

The contractor agrees that all work shall be done by skilled and experienced technicians and shall be done in a first-class workman like manner in accordance with the equipment manufacturers recommended procedures.

WSCA Participating Addendums

The Terms and Conditions agreed upon in the WSCA Participating Addendums take precedence over Uniform Terms and Condition and Special Terms and Conditions listed elsewhere in the SPIRIT contract.